

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

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**Financial Report  
with Supplemental Information  
Prepared in Accordance with GASB 34**

**June 30, 2007**

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## **INDEPENDENT AUDITOR'S REPORT**

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935***

***Tel (906) 265-1040 Fax (906) 265-1042***

Board of Education

**West Iron County Public School District**

601 Garfield Avenue

Iron River, Michigan 49935

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **West Iron County Public School District**, as of and for the fiscal year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the **West Iron County Public School District's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Education, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **West Iron County Public School District** as of June 30, 2007, and the respective changes in financial position, thereof for the fiscal year ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2007 on our consideration of the **West Iron County Public School District's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

The administration's discussion and analysis and budgetary comparison information on pages 8 through 18 are not required parts of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board* and by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of the inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **West Iron County Public School District's** basic financial statements. The introductory section, and combining and individual non-major fund financial statements, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the **West Iron County Public School District**, Iron River, Michigan. The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno". The signature is fluid and cursive, with the first name "Dianne" being more prominent.

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

November 13, 2007

## **ADMINISTRATION'S DISCUSSION AND ANALYSIS**

# WEST IRON COUNTY PUBLIC SCHOOLS

601 Garfield Avenue  
Iron River, Michigan 49935

Richard J. Burby  
Superintendent

Phone: (906) 265-9218  
Fax: (906) 265-9736

The **West Iron County Public School District** is a K-12 school district located in Iron County, Michigan.

The Administration's Discussion and Analysis, a requirement of GASB 34, is intended to be the **West Iron County Public School District's** discussion and analysis of the financial results for the fiscal year ended June 30, 2007.

Generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements.

## **Fund Financial Statements**

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in the relevant funds, including Debt Service, Capital Projects, and the School Service Funds, which are comprised of Food Service and Athletics.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term debt obligations are recorded as expenditures. Future years' debt obligations are not recorded.

## **District-wide Financial Statements**

The *District-wide Financial Statements* are full accrual basis statements. They report all of the District's assets and liabilities, both short and long-term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Service Fund solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets on the *District-wide Financial Statements*.



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## The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity and scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Summary of Net Assets:

The following summarizes comparative the net assets at fiscal years ended June 30, 2007 and June 30, 2006:

<b><u>NET ASSETS SUMMARY</u></b>	<b><u>June 30, 2007</u></b>	<b><u>June 30, 2006</u></b>
<b>Assets</b>		
Current Assets	\$ 1556129	\$ 2028125
Capital Assets	14445625	14191506
Less: Accumulated Depreciation	<u>(6294756)</u>	<u>(5887811)</u>
Capital assets, net book value	8150869	8303695
<b>Total Assets</b>	<b>\$ <u>9706998</u></b>	<b>\$ <u>10331820</u></b>
<b>Liabilities</b>		
Current Liabilities	1556052	1583849
Long-term Liabilities	<u>5684268</u>	<u>6083982</u>
<b>Total Liabilities</b>	<b>7240320</b>	<b>7667831</b>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	5032168	4541931
Reserved for Food Service	23102	41700
Reserved for Athletics	1321	0
Reserved for Debt Service	81240	383386
Reserved for Sinking Fund Capital expense	3480	1560
Designated for Special Programs	0	0
Unrestricted	<u>(2674633)</u>	<u>(2304588)</u>
<b>Total Net Assets</b>	<b>2466678</b>	<b>2663989</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>9706998</u></b>	<b>\$ <u>10331820</u></b>

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## Analysis of Financial Position

During fiscal year ended June 30, 2007, the District's net assets decreased by \$ 197,311. A few of the significant factors affecting net assets during the year are discussed below:

### A. General Operating Fund Operations

The District's revenues from General Operating Fund operations exceeded expenditures by \$ 28,071. General Operating Fund revenues decreased by \$ 65,596 from the last fiscal year, while General Operating Fund expenditures decreased by \$189,763 from the prior year.

### B. Debt, Principal Payments

The District made principal payments on long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

	<b>Balance July 01, <u>2006</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance June 30, <u>2007</u></b>
1997 Refunding Bonds	\$ 3575000	\$ 0	\$ 3575000	\$ 0
2007 Refunding Bonds	0	2975000	0	2975000
Durant Resolution Bonds	85979	0	0	85979
Canon Copier Lease	4383	0	3014	1369
Bleacher Refurbishing Loan	10497	0	0	10497
Bus Lease	85905	0	40051	45854
Long-term Employee Benefits	<u>2643457</u>	<u>326298</u>	<u>120428</u>	<u>2849327</u>
<b>Totals</b>	<b>\$ 6405221</b>	<b>\$ 3301298</b>	<b>\$ 3738493</b>	<b>\$ 5968026</b>

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## C. Net Investment in Capital Assets

The District's comparative net investment in capital assets is as follows:

	<b>Balance June 30, <u>2006</u></b>		<b><u>Additions</u></b>		<b><u>Deletions</u></b>		<b>Balance June 30, <u>2007</u></b>
Capital Assets	\$ 14191506	\$	254119	\$	-0-	\$	14445625
Less: Accumulated Depreciation	(5887811)		(406945)		-0-		(6294756)
<b>Net Investment in Capital Assets</b>	<b>\$ <u>8303695</u></b>	<b>\$</b>	<b><u>(152826)</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b>\$</b>	<b><u>8150869</u></b>

	<b>Balance June 30, <u>2005</u></b>		<b><u>Additions</u></b>		<b><u>Deletions</u></b>		<b>Balance June 30, <u>2006</u></b>
Capital Assets	\$ 13848584	\$	342922	\$	-0-	\$	14191506
Less: Accumulated depreciation	(5466979)		(420832)		-0-		(5887811)
<b>Net Investment in Capital Assets</b>	<b>\$ <u>8381605</u></b>	<b>\$</b>	<b><u>(77910)</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b>\$</b>	<b><u>8303695</u></b>

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## Results of Operations:

For the fiscal years ended June 30, 2007 and June 30, 2006, the District-wide comparative results of operations were as follows:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b><u>Revenues</u></b>		
<b><i>General Revenues</i></b>		
Property taxes, levied for general operations	\$ 2187002	\$ 1789998
Property taxes, levied for debt service	446078	447826
Property taxes, levied for Sinking Fund		
Improvements	92766	87996
Other taxes and Fees	7315	9355
State Aid, Unrestricted	5665047	5723494
Schools and roads grant	110208	132716
Interest and Investment Earnings	39141	33362
Other general revenues	<u>160700</u>	<u>129548</u>
<b><i>Total General Revenues</i></b>	<b>\$ 8708257</b>	<b>\$ 8354295</b>
<b><i>Operating Grants</i></b>		
Federal	857237	1070086
State of Michigan	899262	1062501
Other operating grants	<u>32538</u>	<u>62476</u>
<b><i>Total Operating Grants</i></b>	<b>1789037</b>	<b>2195063</b>
<b><i>Charges for Services</i></b>		
Instruction	35199	31457
Food Service	141001	131858
Athletics	91677	70741
Community Internet	101233	142325
Day Care Program	57032	76988
Other Charges for Services	<u>21294</u>	<u>0</u>
<b><i>Total Charges for Services</i></b>	<b>447436</b>	<b>453369</b>
<b>Total Revenues</b>	<b>\$ 10944730</b>	<b>\$ 11002727</b>

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## Results of Operations: (Continued)

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Expenses:</b>		
Instruction	\$ 6603379	\$ 6457142
Support Services	3132949	3119161
Community Services	134967	170595
Food Services	471568	456553
Athletics	191953	184578
Interest on long-term debt	99432	199085
Other Costs	39	500
Depreciation (Unallocated)	406945	420832
Intergovernmental payments	<u>25848</u>	<u>23436</u>
<b>Total Expenses</b>	<b>\$ 11067080</b>	<b>\$ 11031882</b>
<b>Non-operating Income (Expense)</b>	<b>(74961)</b>	<b>0</b>
<b>DECREASE IN NET ASSETS</b>	<b>(197311)</b>	<b>(29155)</b>
<b>BEGINNING NET ASSETS</b>	<b>2663989</b>	<b>2693144</b>
<b><i>Prior Period Adjustment</i></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>ENDING NET ASSETS</b>	<b>\$ <u>2466678</u></b>	<b>\$ <u>2663989</u></b>

### 1. State of Michigan Unrestricted Aid (Net State Foundation Grant)

The State of Michigan aid, unrestricted, is determined with the following variables:

- State of Michigan State Aid Act per student foundation allowance.
- Student Enrollment - Blended at 80 percent of current year's fall count and 20 percent of prior year's winter count.
- The District's non-homestead levy.

#### Per Student Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The **West Iron County School District's** foundation allowance was \$ 7,085 per student for the 2006-2007 school year.

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## Student Enrollment:

The District's enrollment for state aid membership purposes for 2006-2007 was 1133 students. The District's enrollment decreased substantially from the prior year's student count. The following summarizes fall student enrollments in the past five years:

	<u>Student FTE</u>
2006-2007	1069
2005-2006	1119
2004-2006	1184
2003-2004	1189
2002-2003	1235

## 2. Property Taxes Levied for General Operations (General Fund Non-Homestead)

The District levies 18 mills of property taxes for operations (General Fund) on non-homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase, or five percent, whichever is less.

At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value.

The District's non-homestead property tax revenue for the 2006-2007 fiscal year was \$ 2,187,002. The non-homestead property tax levy increased considerably from the prior year.

The following summarizes the District's non-homestead property tax levy for the past five years:

	<u>Non-Homestead Tax Levy</u>	<u>Percent Increase From Prior Year</u>
2006-2007	\$ 2187002	22.18
2005-2006	1789998	2.18
2004-2006	1751726	5.22
2003-2004	1664873	0.80
2002-2003	1651652	4.97

Average increase last five years: 7.07%

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### 3. Debt Service and Sinking Fund Levy

The District's debt service fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties - both homestead and non-homestead. For the fiscal year ended June 30, 2007, the District's debt millage levy was 2.2000 mills, which generated revenue of \$ 446,078.

In addition, the District levied .4577 mills for sinking fund improvements, which generated revenue of \$92,766.

### 4. Food Sales to Students and Adults (School Lunch Program)

The District's food sales to students and adults increased by approximately \$ 7,693 from the prior school year, or approximately 6%. During the prior 2005-2006 fiscal year, this revenue had declined by \$22,755 from the year before.

### General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in Required Supplemental Information of these financial statements. Changes to the General Fund original budget were as follows:

	<b>Revenues Original Budget</b>	<b>Revenues Final Budget</b>	<b>Revenues Final Actual</b>	<b>Revenues Variance Actual vs Original Budget</b>	<b>Revenues Variance Actual vs Final Budget</b>
<b>General Operating Funds</b>	\$ 9577122	\$ 9882158	\$ 9842530	\$ 265408	\$ (39628)

	<b>Expenditures Original Budget</b>	<b>Expenditures Final Budget</b>	<b>Expenditures Final Actual</b>	<b>Expenditures Variance Actual vs Original Budget</b>	<b>Expenditures Variance Actual vs Final Budget</b>
<b>General Operating Funds</b>	\$ 9461882	\$ 9963776	\$ 9840307	\$ (378425)	\$ 123469

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## **General Fund Budgetary Highlights (Continued)**

Budgeted revenues were increased by \$ 305,036, which is approximately a 3.2 percent increase from the original budget.

Budgeted expenditures were increased by \$ 501,894 from the original budgeted amounts, representing a 5.3 percent increase.

There were no significant variances between the final budget and actual amounts.

## **Administrative Goals for 2007-08**

As we look at the shortcomings of the 2006-07 school year, we have found a need to address several items of concern that impact the accounting practices and the accountability within our fiduciary responsibility.

**First**, our concern in the area of the District's **Activity Accounts** in regard to:

- ü Lack of ledger of revenues for each account.
- ü Lack of accounts receivable records.
- ü Failure to have funds received, properly counted and retention of an accountable track of monies collected.
- ü Failure to provide assigned purchase order numbers.
- ü Allowing individuals to order and encumber District funds without following District adopted policies.
- ü Failure of District employees to acquire administrative approval as required by policy.
- ü Failure to account for product overage and disposal of items of value.
- ü Failure to follow Board policy in the closure of stale or non-operative accounts.
- ü Failure to place funds of stale accounts into appropriate accounts upon their closure and transfer of those funds by unauthorized individuals.
- ü Failure of the District through its past accounting procedures to account for and maintain a true record of \$575,000.00 that flow through this fund.

Solution:

**First**, our goal is to follow Board policies, set-up and maintain accounting procedures that follow established accounting rules. We will, over the course of the 2007-08 school year, address and correct the past year's shortcomings as noted within the Activity Accounts of the District.

**Second**, we find that the accounting practices within the Hot Lunch Fund fail to provide the reader with a clear understanding as to how general journal entries, etc. are handled within the scope of established procedures.



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## **Administrative Goals for 2007-08 (Continued)**

### **Solution:**

While reviewing our concerns with the District's bookkeeper, these concerns were addressed. If needed, we will procure the assistance of SDS (provider of our financial software program) and PowerSchool (provider of the Hot Lunch software for the District) in a problem solving and training session. The expectation is that the 2007-08 audit will not continue to reflect these types of practices or concerns.

**Third**, we are concerned with the large amount of transfers and changes within the budget during the 2006-07 school year and will seek to construct a budget that reflects the District's true budgeting needs and expenditures.

### **Solution:**

Review past expenditures and review a list of planned expenditures and the realistic revenues for this school year as they relate to District needs.

**Fourth**, that we present a factual representation of revenues and expenditures to the Board and public as the year progresses. That the District keeps the Board informed as to the factual picture of our financial status and that we make corrective budget amendments as the year progresses. During the 2006-07 school year the District waited until near the end of its yearly budget cycle to make amendments as needed within the accounting process. This caused unnecessary audit glitches and delays.

### **Solution:**

We need to keep a close eye on expenditures and expenses and make informed decisions throughout the year in regard to the implementation of reasonable accounting principles.

**Fifth**, and overall, we feel that our entire process needs to hold a higher regard for accountability than it has in the past years. While looking at previous concerns, we find that many of the same practices have remained unresolved that should have been addressed in the District.

### **Solution:**

In general, we find that the District has had a lack of leadership in directing the financial management portion of its responsibilities. The solution in itself is simple: to follow District policies and acceptable accounting practices within our fiscal duties.

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## **Administrative Goals for 2007-08 (Continued)**

In summary, we expect these citations to be corrected within the scope of our present personnel without additional cost in manpower allocation or financial encumbrances.

We need to use our present staffing to fit our needs and this will be accomplished by some duty or assignment changes.

## **Contacting the School District's Financial Management**

This financial report is designed to provide the School District's citizens, taxpayers, customers, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact:

**West Iron County Public Schools**  
School Business Office  
601 Garfield Avenue  
Iron River, Michigan 49935

## **BASIC FINANCIAL STATEMENTS**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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## STATEMENT OF NET ASSETS

*JUNE 30, 2007*

### Governmental Activities

#### **ASSETS**

##### ***Current Assets***

Cash and Cash Equivalents (Note 3 )	\$ 62,539
Receivables	
Taxes	197,626
Accounts Receivable	69,705
Due from Other Governmental Units	1,054,988
Due from External Parties	4,752
Inventories	22,154
Prepaid Expenses	144,365
	1,556,129

##### ***Total Current Assets***

1,556,129

##### ***Noncurrent Assets***

Capital Assets (Note 5 )	14,445,625
Less: Accumulated Depreciation (Note 5 )	(6,294,756)
	8,150,869

##### ***Total Noncurrent Assets***

8,150,869

#### **TOTAL ASSETS**

**\$ 9,706,998**

#### **LIABILITIES**

##### ***Current Liabilities***

Accounts Payable	21,634
Accrued Salaries and Benefits	1,227,649
Deferred Revenue	20,328
Due to External Parties	2,681
Loans Payable, Short-term	5,139
Lease Payable, Short-term	43,621
Bonds Payable, Due within one year (Note 8 )	235,000
	1,556,052

##### ***Total Current Liabilities***

1,556,052

##### ***Noncurrent Liabilities***

Bonds Payable (Note 8 )	2,825,979
Loans Payable, Long-term	5,359
Lease Payable, Long-term	3,603
Compensated Absences Payable	2,638,726
Long-term Employee Benefits Payable	210,601
	5,684,268

##### ***Total Noncurrent Liabilities***

5,684,268

#### **TOTAL LIABILITIES**

**\$ 7,240,320**

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF NET ASSETS  
(CONTINUED)**

*JUNE 30, 2007*

	<u><b>Governmental Activities</b></u>
<b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	\$ 5,032,168
Reserved for Food Service	23,102
Reserved for Debt Services	81,240
Reserved for Sinking Fund Capital	3,480
Reserved for Athletics	1,321
Unreserved and Undesignated	<u>(2,674,633)</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 2,466,678</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF ACTIVITIES**  
*FISCAL YEAR ENDED JUNE 30, 2007*

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants	Net(Expense) Revenue and Changes in Net Assets
Primary Government -				
Government Activities:				
Instruction	\$ 6,603,379	\$ 35,199	\$ 1,329,207	\$ (5,238,973)
Support Services	3,132,949		147,861	(2,985,088)
Food Services	471,568	141,001	311,969	(18,598)
Athletics	191,953	91,677		(100,276)
Community Services	134,967	179,559		44,592
Interest/Fees on Long-Term Debt	99,432			(99,432)
Other Costs	39	-	-	(39)
Depreciation (Unallocated)	406,945			(406,945)
Intergovernmental Payments	25,848	-	-	(25,848)
Total Governmental Activities	\$ 11,067,080	\$ 447,436	\$ 1,789,037	\$ (8,830,607)
General Revenues:				
Taxes:				
Property taxes levied for general operations				2,187,002
Property taxes levied for debt service				446,078
Property taxes levied for sinking fund improvements				92,766
Penalties/interest on taxes				4,224
Other Taxes				3,091
State Aid, Unrestricted				5,665,047
Schools and Roads Grant				110,208
Interest and Investment Earnings				39,141
Other				160,700
Total General Revenues				8,708,257
Non-Operating Income (Expense)				
Bond Premium				26,674
Cost of Issuance - Refunding Bonds				(101,635)
Total Non-Operating Income (Expense)				(74,961)
Change in Net Assets				(197,311)
NET ASSETS - BEGINNING OF YEAR				2,663,989
NET ASSETS - END OF YEAR				<u><u>\$ 2,466,678</u></u>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**BALANCE SHEET – GOVERNMENTAL FUNDS**

*JUNE 30, 2007*

	<b>General Operating Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>
<b><u>ASSETS</u></b>			
Cash and Investments (Note 3 )	\$ 11,536	\$ 4,179	\$ 32,183
Receivables:			
Taxes	155,420	7,369	34,837
Accounts Receivable	51,691	-	-
Due from Other Funds	17,969	-	14,220
Due from Other Governmental Units	1,054,988	-	-
Inventories	14,347	-	-
Prepaid Expenditures	144,365	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,450,316</u></b>	<b><u>\$ 11,548</u></b>	<b><u>\$ 81,240</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable	12,683	-	-
Accrued Salaries and Benefits	1,227,649	-	-
Due to Other Funds	20,517	8,068	-
Deferred Revenue (Note 7 )	14,773	-	-
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,275,622</u></b>	<b><u>\$ 8,068</u></b>	<b><u>\$ -</u></b>
<b><u>FUND BALANCES</u></b>			
Reserved for Sinking Fund Capital Outlay	-	3,480	-
Reserved for Debt Service	-	-	81,240
Reserved for Food Services	-	-	-
Reserved for Athletics	-	-	-
Designated for Special Programs	-	-	-
Unreserved and Undesignated	174,694	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>\$ 174,694</u></b>	<b><u>\$ 3,480</u></b>	<b><u>\$ 81,240</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,450,316</u></b>	<b><u>\$ 11,548</u></b>	<b><u>\$ 81,240</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**BALANCE SHEET – GOVERNMENTAL FUNDS**

*JUNE 30, 2007*

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,641	\$ 62,539
-	197,626
18,014	69,705
8,312	40,501
-	1,054,988
7,807	22,154
-	144,365
<b>\$ 48,774</b>	<b>\$ 1,591,878</b>
8,951	21,634
-	1,227,649
9,845	38,430
5,555	20,328
<b>\$ 24,351</b>	<b>\$ 1,308,041</b>
-	3,480
-	81,240
23,102	23,102
1,321	1,321
-	-
-	174,694
<b>\$ 24,423</b>	<b>\$ 283,837</b>
<b>\$ 48,774</b>	<b>\$ 1,591,878</b>

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS**

*JUNE 30, 2007*

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 283,837</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

The cost of capital assets is:	14,445,625
Accumulated depreciation is:	(6,294,756)

Long term liabilities are not due and payable in the current period and are not reported in the funds:

Bonds/Notes/Leases Payable	(3,118,701)
Compensated Absences/Other Benefits	(2,849,327)

Other long term assets not available to pay current period expenditures therefore deferred in the funds

-

Accrued interest is not included as a liability in governmental funds

-

<b>Total Net Assets - Governmental Activities</b>	<b><u>\$ 2,466,678</u></b>
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The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

*YEAR ENDED JUNE 30, 2007*

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b><u>REVENUE</u></b>			
Local Revenue	\$ 2,582,691	\$ 93,779	\$ 463,774
State Revenue	6,344,068	-	-
Federal Revenue	667,564	-	-
Intergovernmental Payments			
Federal Sources	2,585	-	-
State Sources	213,084	-	-
Other Sources	32,538	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>\$ 9,842,530</b>	<b>\$ 93,779</b>	<b>\$ 463,774</b>
<b><u>EXPENDITURES</u></b>			
<b><u>Current:</u></b>			
Instruction	6,486,452	-	-
Support Services	3,188,911		
Community Services	139,096	-	-
Food Services	-		
Athletics	-	-	-
Debt Service			
Principal	-		3,618,064
Interest and Fees	-		99,432
Other costs	-	39	
Capital Outlay	-	91,820	
Intergovernmental Payments	-		-
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,814,459</b>	<b>\$ 91,859</b>	<b>\$ 3,717,496</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>28,071</b>	<b>1,920</b>	<b>(3,253,722)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Bond Proceeds	-	-	3,001,675
Cost of issuance - refunding bonds	-	-	(101,635)
Payments to other governmental units	(25,848)	-	
Operating transfers in	119,542	-	51,536
Operating transfers out	(285,939)	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(192,245)</b>	<b>-</b>	<b>2,951,576</b>
<b>Net Change in Fund Balances</b>	<b>(164,174)</b>	<b>1,920</b>	<b>(302,146)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>338,868</b>	<b>1,560</b>	<b>383,386</b>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 174,694</b>	<b>\$ 3,480</b>	<b>\$ 81,240</b>
	<hr/>	<hr/>	<hr/>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES**

*YEAR ENDED JUNE 30, 2007*

<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 232,678	\$ 3,372,922
51,171	6,395,239
260,798	928,362
-	2,585
-	213,084
-	32,538
-	-
<b>\$ 544,647</b>	<b>\$ 10,944,730</b>
-	6,486,452
-	3,188,911
-	139,096
471,568	471,568
205,217	205,217
-	3,618,064
-	99,432
-	39
-	91,820
-	-
<b>\$ 676,785</b>	<b>\$ 14,300,599</b>
(132,138)	(3,355,869)
-	3,001,675
-	(101,635)
-	(25,848)
120,000	291,078
(5,139)	(291,078)
<b>114,861</b>	<b>2,874,192</b>
<b>(17,277)</b>	<b>(481,677)</b>
41,700	765,514
<b>\$ 24,423</b>	<b>\$ 283,837</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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<b>GOVERNMENTAL FUNDS</b>
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**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES**

*YEAR ENDED JUNE 30, 2007*

**Net Change in Fund Balances - Total Governmental Funds** **\$ (481,677)**

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures; in  
the statement of activities, these costs are allocated over their  
estimated useful lives as depreciation.

Depreciation Expense	(406,945)
Capital Outlay	254,119

Loan proceeds are considered to be other financing sources in the fund statements, but not in the statement of activities	(3,001,675)
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Bond premiums on new bond issuances are reported as other financing sources as part of bond proceeds, but must be adjusted in the statement of activities	26,674
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Repayment of bond/loan principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long term debt)	3,618,064
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(Increases) Decreases in compensated absences are reported as expenditures when financial resources are used in the governmental funds in accordance with GASB Interpretation No. 6	(115,698)
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(Increases) Decreases in long-term employee benefits are reported as expenditures when financial resources are used in the governmental funds.	(90,173)
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**Change in Net Assets of Governmental Activities** **\$ (197,311)**

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**FIDUCIARY FUND**

**STATEMENT OF FIDUCIARY NET ASSETS**

*JUNE 30, 2007*

**ASSETS**

Cash and Cash Equivalents	\$ 1,681,286
Due From Student Groups	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,681,286</b>

**LIABILITIES**

Due to Other Funds	2,071
Due to Student Groups	<u>146,838</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 148,909</b>

**NET ASSETS**

Reserved for Scholarships	<u>1,532,377</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 1,532,377</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS***YEAR ENDED JUNE 30, 2007***PRIVATE-PURPOSE TRUST FUND****SCHOLARSHIP FUND****ADDITIONS**

Gifts and Contributions	\$	311,341
Payments From Non-Governmental Funds		-
Investment Earnings		<u>149,242</u>
<b>TOTAL ADDITIONS</b>	<b>\$</b>	<b>460,583</b>

**DEDUCTIONS**

Scholarships Awarded		48,050
Mini Grants Awarded		27,063
Capital Outlay		-
Other		<u>-</u>
<b>TOTAL DEDUCTIONS</b>	<b>\$</b>	<b>75,113</b>

<b>CHANGE IN NET ASSETS</b>	<b>385,470</b>
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NET ASSETS - BEGINNING OF YEAR	<u>1,146,907</u>
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<b>NET ASSETS - END OF YEAR</b>	<b><u><u>\$ 1,532,377</u></u></b>
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The notes to the financial statements are an integral part of this report.

## **NOTES TO THE FINANCIAL STATEMENTS**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the **West Iron County Public School District** conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

**Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the District does not contain any component units.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, when applicable, which rely to a significant extent on fees and charges for support. All of the District's district-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

The District generally uses restricted assets first for expenses incurred for which both restricted assets and unrestricted assets are available. The District may defer the use of restricted assets based on a review of the specific transaction.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**District-wide and Fund Financial Statements  
(Continued)**

Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**District-wide and Fund Financial Statements  
(Continued)**

The criteria applied for designation as a major fund as follows:

- 1) Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for a fund type.
- 2) Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and enterprise funds combined.
- 3) Assets, or other element taken one at a time would have to pass both the 10% test and the 5% test for the fund to be required to be reported as a major fund.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation**

**District-wide Statements**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the district-wide financial statements.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is measurable and available. Revenue is considered to be available if it is collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

Property taxes, unrestricted State aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following governmental funds:

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***General Fund***

The General Fund is the School District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

***Iron County Community School Fund***

This fund is used to account for all financial resources collected for the Community School program. State Aid is allocated between the General Fund and Community School Fund based upon pupil membership counts.

For reporting purposes, the General Fund and the Community School Fund are combined to form the School District's General Operating Fund. This is reported as a major fund.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Capital Project Fund***

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or other capital assets, including equipment.

The capital project fund ("Sinking Fund") is considered to be a major fund for district-wide reporting purposes.

***Debt Retirement Fund***

These funds are used to account for the accumulated resources for, and the payment of, general long-term principal, interest, and related costs.

The Debt Retirement Fund is a major fund.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Special Revenue Funds***

These funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The School Service Funds are Special Revenue Funds that segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. The School District maintains full control of these funds. The School Service Funds maintained by the School District are the Food Services Fund, and Athletic Activity Fund, both of which are considered to be non-major funds.

***Fiduciary Funds***

These funds are used to account for assets held by the School District in a trustee capacity or as an agent.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Fiduciary Funds (Continued)***

Fiduciary Fund net assets and results of operations are not included in the district-wide statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District presently maintains a Student Activities Fund and a Scholarship Fund. The Student Activity fund is an Agency Fund and the Scholarship Fund is a private-purpose trust fund.

**Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Receivables and Payables**

In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds".

**Property Taxes**

Property taxes are levied on July 01 and payable by September 15 each year. They become delinquent on March 01 of the following year. Property taxes are recognized when they become available. The County of Iron purchases all delinquent real property taxes during the second quarter of each year, resulting in total collection of real property taxes each year.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property Taxes (Continued)**

Delinquent personal property taxes are recorded as receivable if considered to be collectible within 60 days after year-end. For the year ended June 30, the School District levied 15.5831 operating mills (non-homestead only), and 2.2 mills for debt retirement.

In addition, on June 10, 2002, the voters of the **West Iron County Public School District** approved a levy for 15 years to establish a sinking fund for the purchase of real estate for sites for, and the construction or repair of, school buildings and all other purposes authorized by law. For the year ended June 30, the School District levied .4577 mills on its taxable valuation of \$197,569,876.

**State Revenue**

The State of Michigan uses a foundation grant approach which provides for a specific annual amount of revenue per student based on a state-wide formula.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**State Revenue (Continued)**

The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts.

The State portion of the foundation is provided primarily by a State education property tax millage of 6.00 mills (on both homestead and non-homestead property) and an allocated portion of the State sales and other taxes.

The local portion of the foundation is funded primarily by non-homestead property taxes levied at a rate of up to 18 mills.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**State Revenue (Continued)**

The State revenue is recognized during the foundation period (currently the fiscal year) and is funded through payments from October 2006 through August 2007. The School District also receives revenue from the State to administer certain categorical education programs.

State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received which are not expended by the close of the fiscal year are recorded as deferred revenue.

State, general, and categorical aids are recognized as revenue in the entitlement year. Federal aids for reimbursable programs are recognized as revenues in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenues.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Inventories and Prepaid Items**

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture commodities inventory received by the Food Service Fund is recorded as both revenue and expense in the year received. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

**Capital Assets**

Capital assets, which include land, buildings, equipment, and vehicles are reported in the applicable governmental column in the district-wide financial statements.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Capital Assets (Continued)**

Capital assets are defined by the government as assets with an initial individual cost of more than \$ 1,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-20 years



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Contingent Liabilities**

***Unemployment***

Payroll and related withholding and expenses which have been earned by School District employees but not paid as of June 30 are recorded as a liability on the School District's balance sheet.

The School District is a reimbursing employer to the Michigan Employment Security Commission and as such is responsible to pay the Commission for those benefits paid and charged to its accounts. As of June 30, 2007 appropriate liabilities have been recorded for all claims paid by the Commission. However, no provision has been made for future payments that might result from claims in process or un-filed.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Compensated Absences***

**Sick Leave**

The various employment contracts and agreements covering the School District's personnel allow for the accumulation of sick leave as defined.

The master agreement between the **West Iron County Public School District's** Board of Education and the West Iron County Education Association provides that teachers receive 14 days of paid sick leave per year to a maximum of 300 days accumulated.

At retirement, teachers shall receive payment of accumulated sick leave at the rate of \$ 65 per day to a maximum of 205 days.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Compensated Absences (Continued)***  
**Sick Leave (Continued)**

To be eligible for payment at retirement, a teacher must have been an employee of the District for at least 10 consecutive years and must be eligible for retirement as stipulated by the Michigan Public School Employee's Retirement Act, which requires at least 15 years of service.

The current agreement between the **West Iron Public School District's** Board of Education and the West Iron County Educational Support Personnel Association - MEA contains the following provisions:

All employees are credited with 1 sick leave day per month in which at least 25% of the month was worked. Sick days can accumulate up to a maximum of 180 days.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Compensated Absences (Continued)***

***Sick Leave (Continued)***

At termination, accumulated sick leave is paid at 100% of total accumulated days at the rate of \$60 for full-time support staff and \$65 per day for full-time instructional staff, prorated for part-time employees at the time of retirement.

To be eligible for such payment, the employee must have been an employee of the District for at least 10 consecutive years prior to retirement, and must be eligible for retirement as stipulated by the Michigan Public Employee's Retirement Act. This act requires a minimum of 15 years of service.

At June 30, 2007, the accumulated sick leave liability for all employees, including the related costs of FICA and retirement is estimated at \$ 2,840,887.54. Short-term benefits likely to be paid within the next 12 month period would result in a current liability of \$ 202,161.92. It is estimated that the long term liability (calculated at the applicable percentage and rate at retirement) is approximately \$2,638,725.62.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Non-Monetary Transactions**

Federal financial assistance received by school districts may include claims for reimbursement on reimbursable meals and milk served, cash in lieu of commodities, USDA donated commodities (both bonus and entitlement), discounts and rebates for the value of USDA donated commodity ingredients contained in processed foods (end products) provided by the state and federal processing program, respectively, and other payments for administrative costs, etc.

The Single Audit Act of 1984, as amended, and OMB Circular A-133 defines federal financial assistance to include both monetary and non-monetary forms of assistance provided by or passed down from a federal agency, such as grants, contracts, loans, loan guarantees, property, etc.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Non-Monetary Transactions (Continued)**

On this basis, the District recognizes the USDA value of donated commodities (bonus and non-bonus) received and expended in the amount of \$ 18,622 for entitlement commodities, and bonus commodities of \$ 657.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Long-Term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statements of Net Assets.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Long-Term Obligations (Continued)**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond costs, during the current period.

Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information (Continued)**

State law requires the District to have its budget in place by July 01. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits districts to amend its budgets during the year. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be re-appropriated and honored during the subsequent year.

**Excess of Expenditures Over Appropriation in  
Budgetary Funds**

**Budget Violations**

P.A. 621 of 1978, SECTION 18 (1), as amended, provides a local unit shall not incur expenditures in excess of the amounts appropriated. The **West Iron County Public School District's** actual expenditures and budgeted expenditures for the funds budgeted have been shown on an activity basis. The approved budgets of the **West Iron County Public School District** were adopted at the activity level.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Excess of Expenditures Over Appropriation in  
Budgetary Funds (Continued)**

**Budget Violations (Continued)**

The budget is prepared on the modified accrual basis of accounting, which is the same basis as the financial statements.

The total actual 2006-2007 expenditures exceeded the amended budget allocations by \$ 88,499, as follows:

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<b><u>General Fund</u></b>			
Stambaugh Elementary	\$ 1620565	\$ 1575215	\$ 45350
Special Education	938321	908596	29725
Reading First	150696	150525	171
<b><u>Community Schools</u></b>			
Pre-Kindergarten	118959	118800	159
<b><u>Food Service</u></b>			
Insurance	61014	55490	5524
<b><u>Athletic Fund</u></b>			
Capital Outlay	13264	6080	7184
Other	<u>9259</u>	<u>8873</u>	<u>386</u>
<b>Total</b>	<b>\$ <u>2912078</u></b>	<b>\$ <u>2823579</u></b>	<b>\$ <u>88499</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Fund Deficits**

At June 30, 2007, the School District had no fund deficit in any fund.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of the federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The School District's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the local unit's cash deposits classifies cash according to three levels of risk.

These three levels of risk are as follows:

**Category 1**

Deposits which are insured or collateralized with securities held by the School District or its agent in the School District's name.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Category 2**

Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

**Category 3**

Deposits which are not collateralized or insured.

Based on these three levels of risk, the School District's cash deposits are classified as follows:

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Totals</u>
Cash and Deposits	\$ 154376	\$ -0-	\$ 162359	\$ 316735

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and cash equivalents	\$ 62539	\$ 254196	\$ 316735
Investments	<u>-0-</u>	<u>1427090</u>	<u>1427090</u>
<b>Total</b>	<b>\$ <u>62539</u></b>	<b>\$ <u>1681286</u></b>	<b>\$ <u>1743825</u></b>

The breakdown between deposits and investments for the School District is as follows:

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Deposits (checking and savings accounts, certificates of deposit)	\$ 316461
Investment in securities, mutual funds, and similar	
Vehicles	1427090
Petty cash/Cash on hand	<u>274</u>
<b>Total</b>	<b>\$ <u>1743825</u></b>

The deposits of the School District were reflected in the accounts of financial institutions at \$ 316,461, of which \$154,376 is covered by federal depository insurance.

Investments are categorized into these categories of credit risk:

**Category 1** - Insured or registered, or securities held by the School District or its agent in the School District's name;

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Category 2** - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School District's name; and

**Category 3** - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the School District's name.

At June 30, 2007, the School District's investment balances were categorized as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Investments	\$ 1427090	\$ -0-	\$ -0-	\$ 1427090	\$ 1427090



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 4 - RECEIVABLES**

Receivables as of year-end for the School District's individual major funds and the non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b><u>General Fund</u></b>	<b><u>Non-major and Other Funds</u></b>	<b><u>Total</u></b>
<b>Receivables:</b>			
Taxes	\$ 155420	\$ 42206	\$ 197626
Intergovernmental	1054988	-0-	1054988
Other	<u>51691</u>	<u>18014</u>	<u>69705</u>
<b>Total Receivables</b>	<b>\$ <u>1262099</u></b>	<b>\$ <u>60220</u></b>	<b>\$ <u>1322319</u></b>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 4 – RECEIVABLES (CONTINUED)**

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u><b>Unavailable</b></u>	<u><b>Unearned</b></u>
Grant and categorical aid payment not considered	\$ -0-	\$ -0-
Payments received prior to meeting all eligibility requirements	<u>-0-</u>	<u>20328</u>
<b>Total</b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>20328</u></b>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity of the School District's governmental activities was as follows:

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

	<b>Balance July 01, <u>2006</u></b>	<b><u>Additions</u></b>	<b><u>Disposals and Adjustments</u></b>	<b>Balance June 30, <u>2007</u></b>
<b>Assets not being depreciated:</b>				
Land	\$ 245000	\$ -0-	\$ -0-	\$ 245000
<b>Capital assets being depreciated:</b>				
Land Improvements	239578	7601	-0-	247179
Building and building Improvements	10480964	87566	-0-	10568530
Buses and other vehicles	930250	76871	-0-	1007121
Furniture and equipment	<u>2295714</u>	<u>82081</u>	<u>-0-</u>	<u>2377795</u>
<b>Subtotal</b>	<b>\$ 13946506</b>	<b>\$ 254119</b>	<b>\$ -0-</b>	<b>\$ 14200625</b>
<b>Accumulated Depreciation:</b>				
Land Improvements	(113686)	(11729)	-0-	(125415)
Building and building Improvements	\$ (3512630)	\$ (206973)	\$ -0-	\$ (3719603)

(Continued on page 68)

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

(Continued from previous page)

	<b>Balance July 01, <u>2006</u></b>	<b><u>Additions</u></b>	<b><u>Disposals and Adjustments</u></b>	<b>Balance June 30, <u>2007</u></b>
<b>Accumulated Depreciation: (Continued)</b>				
Buses and other vehicles	\$ (711361)	\$ (46085)	\$ -0-	\$ (757446)
Furniture and equipment	<u>(1550134)</u>	<u>(142158)</u>	<u>-0-</u>	<u>(1692292)</u>
<b>Subtotal</b>	<b>\$ <u>(5887811)</u></b>	<b>\$ <u>(406945)</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>(6294756)</u></b>
Net capital assets being depreciated	<u>8058695</u>	<u>(152826)</u>	<u>-0-</u>	<u>7905869</u>
<b>Net capital assets</b>	<b>\$ <u><u>8303695</u></u></b>	<b>\$ <u><u>(152826)</u></u></b>	<b>\$ <u><u>-0-</u></u></b>	<b>\$ <u><u>8150869</u></u></b>

Depreciation expense was not charged to activities as the District considers its assets to impact multiple activities and allocation is not practical.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of inter-fund balances is as follows:

**Do To/From Other Funds:**

The amounts of inter-fund receivables and payables as of June 30, 2007 were as follows:

<u><b>Fund</b></u>	<u><b>Inter-fund Receivable</b></u>	<u><b>Inter-fund Payable</b></u>
General fund	\$ 12774	\$ 19893
Food Service	624	4706
Student Activities	2681	4752
Debt Retirement	14220	-0-
Community Schools	5195	624
Capital Projects	-0-	8068
Athletics	<u>7688</u>	<u>5139</u>
<b>Totals</b>	<b>\$ <u>43182</u></b>	<b>\$ <u>43182</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Do To/From Other Funds: (Continued)**

<u>Summary by Fund Type</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
Major Funds	\$ 32189	\$ 28585
Non-major Funds	8312	9845
Fiduciary Funds	<u>2681</u>	<u>4752</u>
<b>Totals</b>	<b>\$ <u>43182</u></b>	<b>\$ <u>43182</u></b>

**Operating Transfers**

Inter-fund transfers are the result of legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Operating Transfers (Continued)**

During the fiscal year ended June 30, 2007, the District authorized the following transfers:

	<u><b>Transfers In</b></u>	<u><b>Transfers Out</b></u>
General Fund	\$ 119542	\$ 166397
Community Schools	-0-	119542
Athletic Fund	120000	5139
Debt Retirement	<u>51536</u>	<u>-0-</u>
<b>Totals</b>	<b>\$ <u>291078</u></b>	<b>\$ <u>291078</u></b>

<u><b>Summary by Fund Type</b></u>	<u><b>Transfers In</b></u>	<u><b>Transfers Out</b></u>
Major Funds	\$ 171078	\$ 285939
Non-major Funds	<u>120000</u>	<u>5139</u>
<b>Totals</b>	<b>\$ <u>291078</u></b>	<b>\$ <u>291078</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Other Financing Sources (Uses)**

The transfers of cash between various District funds are budgeted but reported separately from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing funds.

**NOTE 7 - DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2007, the deferred revenue was as follows:

	<u><b>Unavailable</b></u>	<u><b>Unearned</b></u>
Iron County Community Schools – Summer Recreation	\$ -0-	\$ 3981
General Fund – Restricted federal revenue	-0-	10792
Food Service – Student Lunch Cards	<u>-0-</u>	<u>5555</u>
<b>Total</b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>20328</u></b>



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT**

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences, claims and judgments, termination -benefits, and certain risk obligations.

Long-term obligation activity can be summarized as follows:

	<b><u>Balance</u></b>				<b><u>Balance</u></b>
	<b><u>July 01, 2006</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>		<b><u>June 30, 2007</u></b>
1997 Refunding Bonds	\$ 3575000	\$ -0-	\$ 3575000	\$	-0-
2007 Refunding Bonds	-0-	2975000	-0-		2975000
Durant Resolution Package Bonds	85979	-0-	-0-		85979
Long-Term Employee Benefits	2643457	326298	120428		2849327
Canon Copier Lease	4383	-0-	3014		1369
Bleacher Refurbishing	10497	-0-	-0-		10497
Bus/Municipal Lease	<u>85905</u>	<u>-0-</u>	<u>40051</u>		<u>45854</u>
<b>Totals</b>	<b>\$ <u>6405221</u></b>	<b>\$ <u>3301298</u></b>	<b>\$ <u>3738493</u></b>	<b>\$</b>	<b><u>5968026</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**1997 Refunding Bonds**

On November 01, 1997, the **West Iron County School District** issued 1997 Refunding Bonds in the amount of \$4,695,000. Bonds were issued for the purpose of refunding the District's 1992 School Building and Site Bonds dated May 01, 1992 and maturing in the years May 01, 2003 through May 01, 2017, and paying the cost of issuing the Bonds.

The Bonds were a full faith and credit unlimited tax general obligation of the School District, and the principal and interest was payable from the proceeds of ad valorem taxes levied on all taxable property of the district without the limitation as to rate or amount.

The School District had designated the bonds as "Qualified Tax Exempt Obligations" under Section 265(b) (3) (B) of the Internal Revenue code of 1986, as amended.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**1997 Refunding Bonds (Continued)**

These bonds were paid in full during the fiscal year ended June 30, 2007, with the proceeds of the issuance of the 2007 Refunding Bonds.

**2007 Refunding Bonds**

On March 09, 2007, the West Iron County Public Schools issued 2007 Refunding Bonds in the amount of \$2,975,000. The bonds were issued to refund the 1997 Refunding Bonds, dated November 01, 1997 in the original amount of \$4,695,000. The 2007 bonds carry a maximum bond interest rate of 4.00%. Annual principal payments are due on May 01, with semi-annual interest due on May 01 and November 01 of each year.

The bond issue is qualified and eligible for participation in Michigan's School Loan Revolving Fund under Section 16, Article IX of the 1963 Constitution of the State of Michigan, and Act No. 92, Public Acts of 2005.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**2007 Refunding Bonds (Continued)**

Following is a schedule of the principal and interest requirements:

<b>Payment Date</b>	<b>Principal Due</b>	<b>Interest Rate</b>	<b>Interest Due</b>	<b>Total Payment</b>	<b>Tax Year Total</b>
11/01/07	\$		\$ 76,688.89	\$ 76,688.89	\$ 76,688.89
05/01/08	235,000.00	4.000%	59,500.00	294,500.00	
11/01/08			54,800.00	54,800.00	349,300.00
05/01/09	265,000.00	4.000%	54,800.00	319,800.00	
11/01/09			49,500.00	49,500.00	369,300.00
05/01/10	280,000.00	4.000%	49,500.00	329,500.00	
11/01/10			43,900.00	43,900.00	373,400.00
05/01/11	290,000.00	4.000%	43,900.00	333,900.00	
11/01/11			38,100.00	38,100.00	372,000.00
05/01/12	300,000.00	4.000%	38,100.00	338,100.00	
11/01/12			32,100.00	32,100.00	370,200.00
05/01/13	310,000.00	4.000%	32,100.00	342,100.00	
11/01/13			25,900.00	25,900.00	368,000.00
05/01/14	325,000.00	4.000%	25,900.00	350,900.00	
11/01/14			19,400.00	19,400.00	370,300.00
05/01/15	325,000.00	4.000%	19,400.00	344,400.00	
11/01/15			12,900.00	12,900.00	357,300.00
05/01/16	325,000.00	4.000%	12,900.00	337,900.00	
11/01/16			6,400.00	6,400.00	344,300.00
05/01/17	320,000.00	4.000%	6,400.00	326,400.00	
11/01/17			0.00	0.00	326,400.00
	<u>\$ 2,975,000.00</u>		<u>\$ 702,188.89</u>	<u>\$ 3,677,188.89</u>	<u>\$ 3,677,188.89</u>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Durant Settlement**

The Durant class-action lawsuit resulted in a judgment of \$212 million against the State of Michigan. The State mandated specific special education programs, but failed to compensate local districts for the increased costs of the mandated programs.

The local school districts that did not participate in the class-action lawsuit were offered a settlement in lieu of future litigation.

The Districts with settlement amounts greater than or equal to \$75,000 were to receive one-half of the settlement amount over a period of ten years beginning November 15, 1998.

Restrictions on the use of these funds are stated in 11f(6):school buses, electronic instructional material and software, school security, textbooks, technology, infrastructure or infrastructure improvement, training for technology, or to reduce or eliminate voter-approved debt that was issued prior to 11/19/97.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Durant Settlement (Continued)**

The District opted to participate in a bonding program, whereby the District would receive bond proceeds equal to the other half of the settlement amount (\$145,612).

The bonds were issued through the Michigan Municipal Bond Authority as School Loan Revenue Bonds, Series 1998. The proceeds of the bonds were to be used for capital expenditures and to pay costs of bond issuance, and were not to be used for maintenance costs.

The Durant bonds are considered to be a legal obligation of the District. The annual State of Michigan appropriation is the only revenue source for making the annual debt service payment on the bonds. If the legislature fails to appropriate the funds, the District is under no obligation for payment.

**School Improvement Bond Series 1998**

Repayment of the Principal Amount shall be made according to the following revised schedule until the full Principal Amount is repaid.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**School Improvement Bond, Series 1998 (Continued)**

In the event that the Authority elects to adjust the interest rates payable on this bond, the Authority may prepare and substitute a new payment schedule reflecting such adjustment, a copy of which shall be sent to the School District and to the Authority's Depository.

The revised schedule is as follows:

<b>Payment Dates</b>	<b>Amount of Principal</b>		<b>Total Principal Installment and Interest Payable</b>
<b><u>Due on May 15</u></b>	<b><u>Installment</u></b>	<b><u>Interest</u></b>	
2008	\$ 0.00	\$ 0.00	\$ 0.00
2009	8103.78	2121.81	10225.59
2010	50348.26	18354.22	68702.48
2011	8893.58	1331.75	10225.33
2012	9316.51	908.30	10224.81
2013	<u>9316.40</u>	<u>908.29</u>	<u>10224.69</u>
<b>Total</b>	<b>\$ <u>85978.53</u></b>	<b>\$ <u>23624.37</u></b>	<b>\$ <u>109602.90</u></b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**School Improvement Bond, Series 1998 (Continued)**

Total Settlement Amount of   \$ 291,224.00
Bonded Settlement Amount of   \$ 145,612.00
 Annual Interest Rate is   4.761353%
Average Life of bonds is   6.783 years

**Canon Copier Lease**

On October, 15, 2004, the **West Iron County Public School District** entered into a lease agreement with Canon Financial Services, Inc., to purchase a Canon copier. There are 36 monthly payments of \$ 273.92, beginning in November 2004. The last payment is scheduled for October 2007, along with a \$ 1.00 purchase option.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Bleacher Refurbishing Loan**

On September 14, 2004, the **West Iron County Public School District** received a loan from the Miners State Bank, in the amount of \$ 23,455.28, with an interest rate of 3.07 percent, for the bleacher refurbishing project. There are 5 annual payments of \$ 5,138.64, scheduled to begin September 15, 2005. The School District made a payment of \$ 8,871.00 on June 24, 2005, with money received from the 2004-2005 athletic gate surcharge fees. On June 30, 2007 the balance was \$ 10,497.21.

**Miners State Bank – Bus Purchase Lease #324582**

On July 29, 2005, the **West Iron County Public School District** entered into a **Municipal Lease and Option Agreement** with the Miners State Bank for the purchase of 2 new school buses in the principal amount of \$121,810. The lease carries an interest rate of 4.35%, with monthly payments of \$ 3,615.31 commencing on August 29, 2005 through July 29, 2008. On June 30, 2007, the balance was \$ 45,854.19.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Long-Term Employee Benefits**

Long-Term Sick Leave Payable	\$	2638726
Long-Term Retirement Incentive Payable		<u>210601</u>
Total Long-Term Employee Benefits Payable	\$	2849327

**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN**

The School District contributes to the Michigan Public School Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension administered by the Michigan Department of Management and Budget, Office of Retirement Systems.

MPERS provides retirement, survivor, and disability benefits to public school employees. Eligibility and benefit provisions are governed under Public Act 136 of 1945, re-codified and currently operating under the provisions of Public Act 300 of 1980, as amended. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The annual report may be obtained by calling (517) 322-5103 or writing:

Department of Management and Budget  
Office of Retirement Systems  
P.O. Box 30673  
Lansing, Michigan 48909-8103

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

The School District is required by state statute to contribute 16.34% of covered payroll from July 01, 2006 through September 30, 2006 increasing to 17.74% from October 01, 2006 through June 30, 2007. Contributions to MPSERS are determined on an actuarial basis using the entry age normal actuarial cost method. Contribution requirements of plan members including the School District are established and may be amended only by state statute.

The School District's contributions to MPSERS for the years ending June 30, 2007, 2006, and 2005, were \$948,748, \$ 885,872, and \$ 816,420, respectively.

Mandatory member contributions were phased out between 1974 and 1977, with the plan remaining noncontributory until January 1, 1987, when the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990, when it was reduced to 3.9%. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 through December 31, 1989, contribute at the following graduated permanently fixed contribution rate: 3% of the first \$ 5,000; 3.6% of \$ 5,001 through \$15,000; 4.3% of all wages over \$ 15,000. Basic Plan members make no contributions. Contributions collected and remitted by the School District on behalf of MIP members for the years ending June 30, 2007, 2006, and 2005 were \$ 146,512, \$ 148,218 and \$ 155,169, respectively, equal to the required contributions for the year.

**NOTE 11 – POST EMPLOYMENT BENEFITS**

In addition to the pension benefits, MPSERS provides comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of the retiree. The portion provided by MPSERS is factored into the pension contribution rate.

**NOTE 12 – RELATED PARTY TRANSACTIONS**

*Related parties* exist when there is a relationship that offers the potential for transactions at less than arm's length, favorable treatment, or the ability to influence the outcome of events differently from that which might result in the absence of that relationship.

Financial statements must include disclosure of material related party transactions, other than compensation arrangements, expense allowances and similar items in the ordinary course of business.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)**

However, disclosure of transactions that are eliminated in the preparation of combined financial statements is not required in those statements.

On this basis, there were no related party transactions reported in the financial statements.

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events have a material effect on the financial statements which requires adjustment or disclosure. They relate to events that provide additional evidence with respect to conditions that existed at the date of the balance sheet and events that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 13 – SUBSEQUENT EVENTS**

At fiscal year ended June 30, 2007, there were no subsequent events that would have a significant effect on the District's operations.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectibility of any related receivable at June 30, 2007 may be impaired.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2007*

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 15 - LEASES**

***Canon Copier***

On April 30, 2003, the **West Iron County Public School District** entered into a lease agreement with Canon Financial Services for a new copier in the high school building. Sixty monthly payments of \$ 598.20 were required.

On June 30, 2007, the balance on this lease was \$ 1,369.48.

**REQUIRED SUPPLEMENTAL INFORMATION**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**REQUIRED SUPPLEMENTAL INFORMATION**

**BUDGETARY COMPARISON SCHEDULE – ALL GENERAL OPERATING FUNDS**

*YEAR ENDED JUNE 30, 2007*

	<b>ORIGINAL BUDGET</b>	<b>FINAL AMENDED BUDGET</b>	<b>ACTUAL</b>
<b><u>REVENUE</u></b>			
Local Sources	\$ 2,197,989	\$ 2,596,978	\$ 2,582,691
State Sources	6,498,060	6,341,630	6,344,068
Federal Sources	666,553	696,882	667,564
Interdistrict and Other Sources	214,520	246,668	248,207
<b>TOTAL REVENUE</b>	<b>\$ 9,577,122</b>	<b>\$ 9,882,158</b>	<b>\$ 9,842,530</b>
<b><u>EXPENDITURES - CURRENT</u></b>			
<b>Instruction :</b>			
Basic Programs	3,747,213	4,314,716	4,338,525
Added Needs	2,217,181	2,091,625	2,107,008
Adult and Continuing Education	34,937	42,029	40,919
<b>Supporting Services :</b>			
Pupil	124,377	136,432	130,148
Instructional Staff	315,497	257,721	253,203
General Administration	262,805	309,179	294,478
School Administration	606,050	624,464	605,956
Business Services	214,311	148,147	147,617
Operation and Maintenance	1,036,554	1,115,325	1,075,177
Transportation	649,309	681,254	618,180
Other Supporting Services	84,275	73,196	64,152
Community Services	169,373	143,840	139,096
Intergovernmental Payments		25,848	25,848
Other	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,461,882</b>	<b>\$ 9,963,776</b>	<b>\$ 9,840,307</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating Transfers In	119,542	119,542	119,542
Operating Transfers (Out)	(301,966)	(285,939)	(285,939)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(67,184)</b>	<b>(248,015)</b>	<b>(164,174)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>338,868</b>	<b>338,868</b>	<b>338,868</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 271,684</b>	<b>\$ 90,853</b>	<b>\$ 174,694</b>

The notes to the financial statements are an integral part of this report.

## **OTHER SUPPLEMENTAL INFORMATION**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**OTHER SUPPLEMENTAL INFORMATION**

**COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS**

*JUNE 30, 2007*

	<u>Special Revenue Funds</u>		
	<u>Food Service</u>	<u>Athletics</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Investments (Note 3 )	\$ 10,239	\$ 4,402	\$ 14,641
Accounts Receivable	18,014	-	18,014
Due from Other Funds	624	7,688	8,312
Inventories	7,807	-	7,807
<b>TOTAL ASSETS</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 12,090</u></b>	<b><u>\$ 48,774</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable	3,318	5,630	8,948
Accrued Sales Tax	3	-	3
Deferred Revenue	5,555	-	5,555
Due to Other Funds	4,706	5,139	9,845
<b>TOTAL LIABILITIES</b>	<b><u>\$ 13,582</u></b>	<b><u>\$ 10,769</u></b>	<b><u>\$ 24,351</u></b>
<b><u>FUND BALANCES</u></b>			
Reserved for Food Services	23,102		23,102
Reserved for Athletics		1,321	1,321
<b>TOTAL FUND BALANCES</b>	<b><u>23,102</u></b>	<b><u>1,321</u></b>	<b><u>24,423</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 12,090</u></b>	<b><u>\$ 48,774</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**OTHER SUPPLEMENTAL INFORMATION**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

*YEAR ENDED JUNE 30, 2007*

	<u>Special Revenue Funds</u>		
	<u>Food Service</u>	<u>Athletics</u>	<u>Total</u>
<b><u>REVENUE</u></b>			
Local Revenue	\$ 141,001	\$ 91,677	\$ 232,678
State Revenue	51,171	-	51,171
Federal Revenue	260,798	-	260,798
<b>TOTAL REVENUE</b>	<b>\$ 452,970</b>	<b>\$ 91,677</b>	<b>\$ 544,647</b>
<b><u>EXPENDITURES</u></b>			
Current:			
Salaries	131,662	96,105	227,767
FICA/Retirement	33,136	19,426	52,562
Insurance	61,014	1,387	62,401
Other Benefits	8,977	99	9,076
Purchased Services	6,529	46,938	53,467
Supplies and Materials	226,240	18,739	244,979
Capital Outlay	-	13,264	13,264
Other	4,010	9,259	13,269
<b>TOTAL EXPENDITURES</b>	<b>\$ 471,568</b>	<b>\$ 205,217</b>	<b>\$ 676,785</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(18,598)</b>	<b>(113,540)</b>	<b>(132,138)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	-	120,000	120,000
Operating transfers out	-	(5,139)	(5,139)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>114,861</b>	<b>114,861</b>
<b>Net Change in Fund Balances</b>	<b>(18,598)</b>	<b>1,321</b>	<b>(17,277)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>41,700</b>	<b>-</b>	<b>41,700</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 23,102</b>	<b>\$ 1,321</b>	<b>\$ 24,423</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**ALL GENERAL OPERATING FUNDS – COMBINING BALANCE SHEET**

*JUNE 30, 2007*

	<b>GENERAL FUND</b>	<b>COMMUNITY SCHOOL FUND</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>			
Cash and Deposits	\$ (20,208)	\$ 31,744	\$ 11,536
Taxes Receivable	155,420	-	155,420
Accounts Receivable :			
Federal	36,754	-	36,754
State	1,018,234	-	1,018,234
Other	26,268	25,423	51,691
Due From Other Funds	12,774	5,195	17,969
Inventory	13,707	640	14,347
Prepaid Expenses	144,365	-	144,365
<b>TOTAL ASSETS</b>	<b><u>\$ 1,387,314</u></b>	<b><u>\$ 63,002</u></b>	<b><u>\$ 1,450,316</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Accrued Benefits	607,844	-	607,844
Accounts Payable	12,683	-	12,683
Salaries Payable	619,805	-	619,805
Deferred Revenue	10,792	3,981	14,773
Due To Other Funds	19,893	624	20,517
<b>TOTAL LIABILITIES</b>	<b>1,271,017</b>	<b>4,605</b>	<b>1,275,622</b>
<b><u>FUND EQUITY</u></b>			
Fund Balance, Unreserved	116,297	58,397	174,694
<b>TOTAL FUND EQUITY</b>	<b>116,297</b>	<b>58,397</b>	<b>174,694</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 1,387,314</u></b>	<b><u>\$ 63,002</u></b>	<b><u>\$ 1,450,316</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**ALL GENERAL OPERATING FUNDS - COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE**

*JUNE 30, 2007*

	<u>GENERAL FUND</u>	<u>COMMUNITY SCHOOL FUND</u>	<u>TOTAL</u>
<b><u>REVENUES</u></b>			
<b>Local Sources</b>			
Current Tax Levy	\$ 2,187,002	\$ -	\$ 2,187,002
Other Local Revenue	302,657	93,032	395,689
<b>State Sources</b>			
State Aid, Unrestricted	5,376,889	288,158	5,665,047
Restricted Grants	552,705	121,928	674,633
Other State Revenue	-	4,388	4,388
<b>Federal Sources</b>			
Restricted - Received through State	520,583	-	520,583
Other Federal Revenue	135,480	11,501	146,981
<b>Intergovernmental</b>	223,131	25,076	248,207
 <b>TOTAL REVENUE</b>	 <b>9,298,447</b>	 <b>544,083</b>	 <b>9,842,530</b>
 <b><u>OTHER FINANCING SOURCES</u></b>			
Operating Transfer In	119,542	-	119,542
 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	 <b>9,417,989</b>	 <b>544,083</b>	 <b>9,962,072</b>
 <b><u>EXPENDITURES</u></b>			
<b>Educational</b>			
Instructional	6,248,763	237,689	6,486,452
Supporting Services	3,020,911	168,000	3,188,911
<b>Community Services</b>	117,552	21,544	139,096
 <b>TOTAL EXPENDITURES</b>	 <b>9,387,226</b>	 <b>427,233</b>	 <b>9,814,459</b>
 <b><u>OTHER FINANCING USES</u></b>			
Fund Modifications	166,397	119,542	285,939
Payments to Other Governmental Units	25,848	-	25,848
 <b>TOTAL OTHER FINANCING USES</b>	 <b>192,245</b>	 <b>119,542</b>	 <b>311,787</b>
 <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	 <b>9,579,471</b>	 <b>546,775</b>	 <b>10,126,246</b>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (161,482)	 (2,692)	 (164,174)
 FUND BALANCE, JULY 1	 277,779	 61,089	 338,868
 <b>FUND BALANCE, JUNE 30</b>	 <b>\$ 116,297</b>	 <b>\$ 58,397</b>	 <b>\$ 174,694</b>

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL SPECIAL REVENUE FUNDS – COMBINING BALANCE SHEET**

*JUNE 30, 2007*

<b><u>ASSETS</u></b>	<b>FOOD SERVICE FUND</b>	<b>ATHLETIC FUND</b>	<b>TOTAL</b>
Cash	\$ 10,239	\$ 4,402	\$ 14,641
Accounts Receivable :			
Federal	5,748	-	5,748
State	4,038	-	4,038
Other	8,228	-	8,228
Inventory	7,807	-	7,807
Due from Other Funds	624	7,688	8,312
<b>TOTAL ASSETS</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 12,090</u></b>	<b><u>\$ 48,774</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable	3,318	5,630	8948
Accrued Sales Tax	3	-	3
Due to Other Funds	4,706	5,139	9845
Deferred Revenue	5,555	-	5555
<b>TOTAL LIABILITIES</b>	<b>13,582</b>	<b>10,769</b>	<b>24351</b>
<b><u>FUND EQUITY</u></b>			
Fund Balance, Reserved	23,102	1,321	24423
<b>TOTAL FUND EQUITY</b>	<b><u>23,102</u></b>	<b><u>1,321</u></b>	<b><u>24423</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 12,090</u></b>	<b><u>\$ 48,774</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL SPECIAL REVENUE FUNDS – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE**

*FISCAL YEAR ENDED JUNE 30, 2007*

	<b>FOOD SERVICE FUND</b>	<b>ATHLETIC FUND</b>	<b>TOTAL</b>
<b><u>REVENUES</u></b>			
<b>Local Sources</b>			
Student Lunches / Breakfast	\$ 117,749	\$ -	\$ 117,749
Adult Lunches	5,432	-	5,432
Milk and Ala Carte Sales	3,934	-	3,934
General Admissions and Other	13,886	91,677	105,563
<b>Total Local Sources</b>	<b>141,001</b>	<b>91,677</b>	<b>232,678</b>
<b>State Sources</b>			
School Breakfast Program	32,930	-	32,930
School Lunch Program	18,241	-	18,241
<b>Total State Sources</b>	<b>51,171</b>	<b>-</b>	<b>51,171</b>
<b>Federal Sources</b>			
Restricted - Received through State	241,519	-	241,519
USDA Entitlement Commodities	18,622	-	18,622
USDA Bonus Commodities	657	-	657
<b>Total Federal Sources</b>	<b>260,798</b>	<b>-</b>	<b>260,798</b>
<b>TOTAL REVENUES</b>	<b>452,970</b>	<b>91,677</b>	<b>544,647</b>
<b><u>EXPENDITURES</u></b>			
Professional Salaries	-	78,464	78,464
Nonprofessional Salaries	131,662	17,641	149,303
FICA/Retirement	33,136	19,426	52,562
Insurance	61,014	1,387	62,401
Other Benefits	8,977	99	9,076
Purchased Services	6,529	46,938	53,467
Supplies and Materials	226,240	18,739	244,979
Capital Outlay	-	13,264	13,264
Other	4,010	9,259	13,269
<b>TOTAL EXPENDITURES</b>	<b>\$ 471,568</b>	<b>\$ 205,217</b>	<b>676,785</b>
Excess of Revenues Over (Under) Expenditures	(18,598)	(113,540)	(132,138)

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2007*

	<b>FOOD SERVICE FUND</b>	<b>ATHLETIC FUND</b>	<b>TOTAL</b>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	\$ -	\$ 120,000	\$ 120,000
Operating Transfers (Out)	-	(5,139)	(5,139)
<b>Total Other Financing Sources (Uses)</b>	-	<b>114,861</b>	<b>114,861</b>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (18,598)	 1,321	 (17,277)
 FUND BALANCE, JULY 1	 41,700	 -	 41,700
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 23,102</b>	<b>\$ 1,321</b>	<b>\$ 24,423</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ (20,208)	\$ 81,356
Accounts Receivable :		
Federal	36,754	-
State	1,018,234	1,176,235
Other	26,268	32,464
Taxes Receivable	155,420	111,176
Due From Other Funds	12,774	47,317
Inventory	13,707	13,070
Prepaid Expenses	<u>144,365</u>	<u>92,961</u>
 <b>TOTAL ASSETS</b>	 <b><u><u>\$ 1,387,314</u></u></b>	 <b><u><u>\$ 1,554,579</u></u></b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accrued Benefits	607,844	496,960
Accounts Payable	12,683	41,071
Salaries Payable	619,805	692,631
Due To Other Funds	19,893	30,641
Deferred Revenue	<u>10,792</u>	<u>15,497</u>
 <b>TOTAL LIABILITIES</b>	 <b><u><u>\$ 1,271,017</u></u></b>	 <b><u><u>\$ 1,276,800</u></u></b>
 <b><u>FUND EQUITY</u></b>		
Fund Balance, Unreserved & Undesignated	<u>116,297</u>	<u>277,779</u>
 <b>TOTAL FUND EQUITY</b>	 <b><u><u>116,297</u></u></b>	 <b><u><u>277,779</u></u></b>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <b><u><u>\$ 1,387,314</u></u></b>	 <b><u><u>\$ 1,554,579</u></u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF REVENUES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	<b>FISCAL YEAR ENDED JUNE 30, 2007</b>			<b>FISCAL YEAR ENDED 6/30/06</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>	
<b><u>REVENUES</u></b>				
<b><u>LOCAL SOURCES</u></b>				
Current Tax Levy	\$ 2,187,002	\$ 2,187,703	\$ (701)	\$ 1,789,998
Other Taxes	-	500	(500)	1,276
Penalties and Interest on				
Delinquent Taxes	2,299	6,000	(3,701)	343
Interest Income	22,910	19,565	3,345	18,421
Other Local Revenue	106,800	114,267	(7,467)	92,276
Internet	101,233	108,732	(7,499)	142,325
Driver Education Fees	20,266	20,266	-	20,323
Miscellaneous Sales	49,149	49,148	1	1,900
<b>TOTAL REVENUES FROM LOCAL SOURCES</b>	<b>2,489,659</b>	<b>2,506,181</b>	<b>(16,522)</b>	<b>2,066,862</b>
<b><u>STATE SOURCES</u></b>				
Foundation Allowance	5,376,889	5,326,988	49,901	5,420,444
At Risk	275,667	275,690	(23)	326,869
Special Education	243,674	293,015	(49,341)	385,272
Middle School Math Initiative	12,194	12,184	10	-
Vocational Education	6,609	6,609	-	13,678
Restricted State Aid - Durant	14,561	14,561	-	14,561
<b>TOTAL REVENUES FROM STATE SOURCES</b>	<b>5,929,594</b>	<b>5,929,047</b>	<b>547</b>	<b>6,160,824</b>
<b><u>FEDERAL SOURCES</u></b>				
Title I	255,005	270,820	(15,815)	277,741
Title I Carryover	12,753	12,753	-	18,801
Title II Part A	87,661	87,661	-	85,408
Title II Part A Carryover	2,231	2,235	(4)	6,946
Title II Part D	2,722	2,722	-	5,158
Title V Part A	4,173	4,173	-	3,808
Title V Carryover	5,513	5,513	-	-
Schools and Roads Grant	110,208	110,208	-	132,716
Reading First	150,525	150,525	-	237,750
FIA - Strong Families/Safe Children	2,426	2,426	-	-
USAF Funds	19,826	19,826	-	-
ATV Grant	3,020	3,020	-	-
Michigan Works	-	-	-	12,186
<b>TOTAL REVENUES FROM FEDERAL SOURCES</b>	<b>656,063</b>	<b>671,882</b>	<b>(15,819)</b>	<b>780,514</b>
<b>TOTAL REVENUES</b>	<b>\$ 9,075,316</b>	<b>\$ 9,107,110</b>	<b>\$ (31,794)</b>	<b>\$ 9,008,200</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND -SUPPLEMENTAL SCHEDULE OF REVENUES – ACTUAL COMPARED TO  
BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b><u>OTHER FINANCING SOURCES</u></b>				
Operating Transfer In	\$ 119,542	\$ 119,542	\$ -	\$ -
<b>Payments From Other Governmental Units :</b>				
Federal Sources	39,083	39,083	-	61,605
State Sources	176,586	176,585	(1)	142,459
Other Sources	7,462	7,500	38	31,476
<b>Total Payments From Other Governmental Units</b>	<b>223,131</b>	<b>223,168</b>	<b>37</b>	<b>235,540</b>
 Proceeds From Capital Lease	 -	 -	 -	 121,810
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>342,673</b>	<b>342,710</b>	<b>37</b>	<b>357,350</b>
 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	 <b><u>\$ 9,417,989</u></b>	 <b><u>\$ 9,449,820</u></b>	 <b><u>\$ (31,757)</u></b>	 <b><u>\$ 9,365,550</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND -SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

<u>INSTRUCTION</u>	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>BASIC PROGRAMS</u></b>				
<b><u>Elementary</u></b>				
<b>Stambaugh Elementary</b>				
Professional Salaries	\$ 924,437	\$ -	\$ -	\$ 854,508
Insurance	266,163			229,892
FICA / Retirement	237,169	-	-	206,680
Other Benefits	138,382			21,752
Purchased Services	15,157	-	-	16,418
Supplies and Materials	38,610			34,224
Other	647	-	-	278
<b>Total Stambaugh Elementary</b>	<b>1,620,565</b>	<b>1,575,215</b>	<b>(45,350)</b>	<b>1,363,752</b>
<b>Class Size Reduction</b>				
Professional Salaries	60,480	-	-	61,076
Insurance	14,127			13,699
FICA / Retirement	15,285	-	-	14,506
Other Benefits	-			100
Purchased Services	-	-	-	2,972
<b>Total Class Size Reduction</b>	<b>89,892</b>	<b>89,892</b>	<b>-</b>	<b>92,353</b>
<b>Total Elementary</b>	<b>1,710,457</b>	<b>1,665,107</b>	<b>(45,350)</b>	<b>1,456,105</b>
<b><u>Middle School</u></b>				
Professional Salaries	639,358	-	-	614,793
Insurance	188,671			189,754
FICA / Retirement	162,172	-	-	146,673
Other Benefits	14,389			29,053
Purchased Services	9,324	-	-	2,790
Supplies and Materials	50,391			38,982
Capital Outlay	-			-
Other	1,470	-	-	354
<b>Total Middle School</b>	<b>\$ 1,065,775</b>	<b>\$ 1,082,814</b>	<b>\$ 17,039</b>	<b>\$ 1,022,399</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND -SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

<b>INSTRUCTION (continued)</b>	<b>FISCAL YEAR ENDED JUNE 30, 2007</b>			<b>FISCAL YEAR ENDED 6/30/2006</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	
<b><u>BASIC PROGRAMS</u></b>				
<b><u>High School</u></b>				
Professional Salaries	\$ 802,126	\$ -	\$ -	\$ 743,208
Insurance	216,152			218,650
FICA / Retirement	202,688	-	-	178,376
Other Benefits	60,197			51,332
Purchased Services	67,331	-	-	50,599
Supplies and Materials	12,868			14,244
Capital Outlay	-		-	-
Other	4,161	-	-	3,161
<b>Total High School</b>	<b>1,365,523</b>	<b>1,370,000</b>	<b>4,477</b>	<b>1,259,570</b>
<b>TOTAL BASIC PROGRAMS</b>	<b>\$ 4,141,755</b>	<b>\$ 4,117,921</b>	<b>\$ (23,834)</b>	<b>\$ 3,738,074</b>
<b><u>ADDED NEEDS</u></b>				
<b><u>Special Education</u></b>				
Professional Salaries	\$ 504,991	\$ -	\$ -	\$ 525,962
Nonprofessional Salaries	59,311			60,911
Insurance	204,644	-	-	196,646
FICA / Retirement	141,081			139,338
Other Benefits	15,722			16,719
Purchased Services	7,772	-	-	580
Supplies and Materials	4,104			7,376
Other	696	-	-	3,721
<b>Total Special Education</b>	<b>938,321</b>	<b>908,596</b>	<b>(29,725)</b>	<b>951,253</b>
<b>Reading First</b>				
Professional Salaries	65,179	-	-	96,358
Insurance	15,646			25,481
FICA/Retirement	16,753	-	-	22,242
Other Benefits	100			
Purchased Services	12,441	-	-	5,754
Supplies and Materials	31,078			82,913
Capital Outlay	-			1,685
Other	9,499	-	-	3,317
<b>Total Reading First</b>	<b>150,696</b>	<b>150,525</b>	<b>(171)</b>	<b>237,750</b>
<b>Compensatory Education</b>				
<b><u>Title I</u></b>				
Professional Salaries	109,494	-	-	104,499
Nonprofessional Salaries	39,707			55,886
Insurance	60,730	-	-	80,366
FICA / Retirement	37,724			37,556
Other Benefits	400	-	-	550
Purchased Services	14,765			14,488
Supplies and Materials	3,983			2,025
Other	955	-	-	1,172
<b>Total Compensatory Education</b>	<b>\$ 267,758</b>	<b>\$ 270,820</b>	<b>\$ 3,062</b>	<b>\$ 296,542</b>

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b>INSTRUCTION (continued)</b>				
<b><u>ADDED NEEDS</u></b>				
<b>Driver Education</b>				
Professional Salaries	\$ 12,664	\$ -	\$ -	\$ 14,405
Insurance	626			655
FICA/Retirement	3,180			3,399
Purchased Services	1,391			4,470
Supplies and Materials	1,357	-	-	1,319
Capital Outlay	8,092			
Other	1,598			
<b>Total Driver Education</b>	<b>28,908</b>	<b>31,927</b>	<b>3,019</b>	<b>24,248</b>
<b>Strong Families / Safe Children</b>				
Professional Salaries	-	-	-	6,571
FICA/Retirement				1,396
Purchased Services				11,295
Supplies and Materials		-	-	633
<b>Total Strong Families / Safe Children</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,895</b>
<b>Vocational Education</b>				
Professional Salaries	212,424	-	-	242,970
Nonprofessional Salaries	17,953			14,353
Insurance	74,543	-	-	76,755
FICA / Retirement	57,849			61,065
Other Benefits	50			550
Purchased Services	19,108	-	-	7,650
Supplies and Materials	42,692			33,750
Capital Outlay	18,528			26,391
Other	2,511	-	-	1,894
<b>Total Vocational Education</b>	<b>\$ 445,658</b>	<b>\$ 451,305</b>	<b>\$ 5,647</b>	<b>\$ 465,378</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
(With Comparative Totals for Fiscal Year Ended June 30, 2006)

<b>INSTRUCTION (continued)</b>	<b>FISCAL YEAR ENDED JUNE 30, 2007</b>			<b>FISCAL YEAR ENDED 6/30/2006</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	
<b><u>ADDED NEEDS</u></b>				
<b>At Risk</b>				
Professional Salaries	\$ 116,631	\$ -	\$ -	\$ 172,160
Nonprofessional Salaries	49,912			46,128
Insurance	61,318	-	-	42,403
FICA / Retirement	41,147			51,598
Other Benefits	-		-	250
Purchased Services	6,180			1,650
Supplies and Materials	479	-	-	12,946
<b>Total At Risk</b>	<b>275,667</b>	<b>278,452</b>	<b>2,785</b>	<b>327,135</b>
<b>TOTAL ADDED NEEDS</b>	<b>2,107,008</b>	<b>2,091,625</b>	<b>(15,383)</b>	<b>2,322,201</b>
<b>TOTAL INSTRUCTION</b>	<b>\$ 6,248,763</b>	<b>\$ 6,209,546</b>	<b>\$ (39,217)</b>	<b>\$ 6,060,275</b>
 <b><u>SUPPORTING SERVICES</u></b>				
<b><u>PUPIL SERVICES</u></b>				
<b>Guidance</b>				
Professional Salaries	\$ 28,081	\$ -	\$ -	\$ 27,243
Insurance	7,045			6,830
FICA / Retirement	5,949	-	-	8,323
Other Benefits	8,500			24,353
Purchased Services	828	-	-	1,015
Supplies and Materials	2,002			1,556
Other	60	-	-	-
<b>Total Guidance</b>	<b>52,465</b>	<b>57,463</b>	<b>4,998</b>	<b>69,320</b>
 <b>Health Services</b>				
Professional Salaries	325	-	-	455
FICA/Retirement	83			109
Purchased Services	4,286			4,003
Supplies and Materials	739	-	-	-
Other	2,159			
<b>Total Health Services</b>	<b>\$ 7,592</b>	<b>\$ 7,939</b>	<b>\$ 347</b>	<b>\$ 4,567</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>PUPIL SERVICES</u></b>				
<b>Other Pupil Services</b>				
Professional Salaries	\$ 18,262	\$ -	\$ -	\$ 14,040
Nonprofessional Salaries	21,288			24,258
Insurance	15,000	-	-	14,155
FICA / Retirement	9,901			9,014
Purchased Services	1,000	-	-	1,082
Supplies and Materials	2,954			-
Other	1,686	-	-	671
<b>Total Other Pupil Services</b>	<b>70,091</b>	<b>71,030</b>	<b>939</b>	<b>63,220</b>
<b>TOTAL PUPIL SERVICES</b>	<b>130,148</b>	<b>136,432</b>	<b>6,284</b>	<b>137,107</b>
<b><u>INSTRUCTIONAL STAFF</u></b>				
<b>Library</b>				
Professional Salaries	53,720	-	-	103,093
Insurance	14,091			27,492
FICA / Retirement	13,524	-	-	24,418
Other Benefits	-			200
Purchased Services	1,412			1,000
Supplies and Materials	6,266	-	-	7,370
Capital Outlay	-			-
Other	-	-	-	124
<b>Total Library</b>	<b>\$ 89,013</b>	<b>\$ 90,235</b>	<b>\$ 1,222</b>	<b>\$ 163,697</b>
<b>Technology</b>				
Professional Salaries	44,672	-	-	42,840
Nonprofessional Salaries	3,456			3,625
Insurance	14,551	-	-	15,063
FICA / Retirement	11,921			10,441
Other Benefits	100			100
Purchased Services	22,902	-	-	24,427
Supplies and Materials	7,827			7,556
Capital Outlay	39,625			72,761
Other	-	-	-	-
<b>Total Technology</b>	<b>\$ 145,054</b>	<b>\$ 147,413</b>	<b>\$ 2,359</b>	<b>\$ 176,813</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>INSTRUCTIONAL STAFF</u></b>				
<b>School Improvement</b>				
Nonprofessional Salaries	\$ 9,716	\$ -	\$ -	\$ 6,105
FICA / Retirement	2,592			1,471
Other Benefits	100			100
Purchased Services	-	-	-	1,290
<b>Total School Improvement</b>	<b>12,408</b>	<b>12,408</b>	<b>-</b>	<b>8,966</b>
<b>Professional Development</b>				
Professional Salaries	2,000	-	-	845
FICA/Retirement	508			202
Purchased Services	3,600			112
Other	620	-	-	699
<b>Total Professional Development</b>	<b>6,728</b>	<b>7,665</b>	<b>937</b>	<b>1,858</b>
<b>TOTAL INSTRUCTIONAL STAFF</b>	<b>\$ 253,203</b>	<b>\$ 257,721</b>	<b>\$ 4,518</b>	<b>\$ 351,334</b>
<b><u>GENERAL ADMINISTRATION</u></b>				
<b>Board of Education</b>				
Nonprofessional Salaries	4,095	-	-	4,110
Insurance	12,350			13,001
Purchased Services	87,088			66,994
Supplies and Materials	1,373			1,368
Other	6,975	-	-	11,225
<b>Total Board of Education</b>	<b>111,881</b>	<b>126,007</b>	<b>14,126</b>	<b>96,698</b>
<b>Executive Administration</b>				
Professional Salaries	82,911	-	-	82,911
Nonprofessional Salaries	29,803			29,297
Insurance	28,683			29,895
FICA / Retirement	28,916	-	-	26,411
Other Benefits	10,125			340
Supplies and Materials	-			52
Capital Outlay	-			-
Other	2,159	-	-	1,768
<b>Total Executive Administration</b>	<b>182,597</b>	<b>183,172</b>	<b>575</b>	<b>170,674</b>
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>\$ 294,478</b>	<b>\$ 309,179</b>	<b>\$ 14,701</b>	<b>\$ 267,372</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>SCHOOL ADMINISTRATION</u></b>				
Office of the Principal				
Professional Salaries	\$ 214,285	\$ -	\$ -	\$ 208,960
Nonprofessional Salaries	94,919			91,117
Insurance	74,906			88,054
FICA / Retirement	77,747	-	-	70,798
Other Benefits	5,825			2,666
Purchased Services	18,242			16,395
Supplies and Materials	9,386	-	-	10,245
Capital Outlay	2,011			3,332
Other	4,787	-	-	5,454
<b>Total Office of the Principal</b>	<b>502,108</b>	<b>511,807</b>	<b>9,699</b>	<b>497,021</b>
<b>TOTAL SCHOOL ADMINISTRATION</b>	<b>\$ 502,108</b>	<b>\$ 511,807</b>	<b>\$ 9,699</b>	<b>\$ 497,021</b>
<b><u>BUSINESS SERVICES</u></b>				
Fiscal Services				
Nonprofessional Salaries	65,092	-	-	65,059
Insurance	18,424			16,241
FICA/Retirement	16,213			15,623
Other Benefits	1,600	-	-	3,309
Purchased Services	6,171			6,483
Supplies and Materials	12,788			20,393
Capital Outlay	4,557			2,211
Other	22,772	-	-	18,652
<b>Total Fiscal Services</b>	<b>147,617</b>	<b>148,147</b>	<b>530</b>	<b>147,971</b>
<b>TOTAL BUSINESS SERVICES</b>	<b>\$ 147,617</b>	<b>\$ 148,147</b>	<b>\$ 530</b>	<b>\$ 147,971</b>
<b><u>OPERATIONS AND MAINTENANCE</u></b>				
Nonprofessional Salaries	387,097	-	-	379,749
Insurance	222,174			182,696
FICA / Retirement	96,198	-	-	87,774
Other Benefits	18,333			10,656
Purchased Services	316,062			294,657
Supplies and Materials	31,827	-	-	42,223
Capital Outlay	-			16,459
Other	3,486	-	-	3,497
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$ 1,075,177</b>	<b>\$ 1,115,325</b>	<b>\$ 40,148</b>	<b>\$ 1,017,711</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>PUPIL TRANSPORTATION</u></b>				
Nonprofessional Salaries	\$ 257,098	\$ -	\$ -	\$ 245,558
Insurance	125,592			147,279
FICA / Retirement	63,093			56,299
Other Benefits	11,783	-	-	7,491
Purchased Services	15,951			57,630
Supplies and Materials	72,961			77,714
Capital Outlay	70,248			121,810
Other	1,454	-	-	563
<b>TOTAL PUPIL TRANSPORTATION</b>	<b>618,180</b>	<b>681,254</b>	<b>63,074</b>	<b>714,344</b>
<b>TOTAL SUPPORTING SERVICES</b>	<b>\$ 3,020,911</b>	<b>\$ 3,159,865</b>	<b>\$ 138,954</b>	<b>\$ 3,132,860</b>
<b><u>COMMUNITY SERVICES</u></b>				
<b><u>ATV Grant</u></b>				
Professional Salaries	-	-	-	1,900
Nonprofessional Salaries				-
FICA/Retirement	-	-	-	456
Purchased Services				275
Supplies and Materials				277
Capital Outlay	-			-
Other	-	-	-	-
<b>Total ATV Grant</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,908</b>
<b><u>Michigan Works</u></b>				
Professional Salaries	-	-	-	5,018
FICA Retirement				1,204
Supplies and Materials	-	-	-	5,817
<b>Total Michigan Works</b>	<b>-</b>		<b>\$ -</b>	<b>12,039</b>
<b><u>Internet Services</u></b>				
Professional Salaries	1,200	-	-	1,200
FICA/Retirement	305			263
Purchased Services	108,716			126,030
Supplies and Materials	663			3,070
Capital Outlay	4,129	-	-	-
<b>Total Internet Services</b>	<b>\$ 115,013</b>	<b>\$ 115,195</b>	<b>\$ 182</b>	<b>\$ 130,563</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/2006
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>COMMUNITY SERVICES (continued)</u></b>				
<b>FIA Strong Families-Safe Children</b>				
Nonprofessional Salaries	\$ 1,922	\$ -	\$ -	\$ -
FICA/Retirement	459	-	-	-
Other Benefits	16			-
Purchased Services	29	-	-	-
	<u>2,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Bob Loo Building</b>	<b>2,426</b>	<b>2,426</b>	<b>-</b>	<b>-</b>
<b>Civic Activities</b>				
Nonprofessional Salaries	90			-
FICA/Retirement	23	-	-	-
	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Civic Activities</b>	<b>113</b>	<b>893</b>	<b>780</b>	<b>-</b>
<b>TOTAL COMMUNITY SERVICES</b>	<b>117,552</b>	<b>118,514</b>	<b>962</b>	<b>145,510</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,387,226</b>	<b>\$ 9,487,925</b>	<b>\$ 100,699</b>	<b>\$ 9,338,645</b>
<b><u>OTHER FINANCING USES</u></b>				
<b>Fund Modifications</b>				
Transfer to Athletic Fund	120,000	120,000	-	115,089
Transfer to Debt Retirement Fund	46,397	46,397	-	48,394
	<u>166,397</u>	<u>166,397</u>	<u>-</u>	<u>163,483</u>
<b>Payments to Other Governmental Units</b>				
DIISD - Special Education Chargeback	25,848	25,848	-	23,436
<b>Payments to Non-Governmental Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING USES</b>	<b>192,245</b>	<b>192,245</b>	<b>-</b>	<b>186,919</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 9,579,471</u></b>	<b><u>\$ 9,680,170</u></b>	<b><u>\$ 100,699</u></b>	<b><u>\$ 9,525,564</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 31,744	\$ 60,809
Accounts Receivable :		
Federal	-	-
State	21,610	21,610
Other	3,813	4,180
Due from Other Funds	5,195	-
Inventory	<u>640</u>	<u>640</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 63,002</u></b>	<b><u>\$ 87,239</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Due to Other Funds	624	19,183
Deferred Revenue	<u>3,981</u>	<u>6,967</u>
<b>TOTAL LIABILITIES</b>	<b>4,605</b>	<b>26,150</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance - Unreserved	<u>58,397</u>	<u>61,089</u>
<b>TOTAL FUND EQUITY</b>	<b>58,397</b>	<b>61,089</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 63,002</u></b>	<b><u>\$ 87,239</u></b>

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND - STATEMENT OF REVENUES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>REVENUES</b>				
<b>Local Sources</b>				
Tuition	\$ 11,805	\$ -	\$ -	\$ 11,134
Interest	2,538			2,602
Other Income / Grants	26,045			35,372
Day Care Program	52,644			66,098
<b>Total Local Sources</b>	<b>93,032</b>	<b>90,797</b>	<b>2,235</b>	<b>115,206</b>
<b>State Sources</b>				
Foundation Allowance Grant	288,158	-	-	303,050
Restricted Grants -				
Adult Education	-			1,885
At Risk - Pre Kindergarten	118,800			118,800
GED Testing	3,128			-
Child Care	4,388	-	-	10,890
<b>Total State Sources</b>	<b>414,474</b>	<b>412,583</b>	<b>1,891</b>	<b>434,625</b>
<b>Federal Sources</b>				
JTPA Nurses' Aid Grant	11,501			36,874
Make a Link Grant	-			6,500
<b>Total Federal Sources</b>	<b>11,501</b>	<b>25,000</b>	<b>(13,499)</b>	<b>43,374</b>
<b>TOTAL REVENUES</b>	<b>519,007</b>	<b>528,380</b>	<b>(9,373)</b>	<b>593,205</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In from Other Funds	-	-	-	-
Payments from Other Governmental Units -				
Local Sources	25,076	23,500		31,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>25,076</b>	<b>23,500</b>	<b>1,576</b>	<b>31,000</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 544,083</b>	<b>\$ 551,880</b>	<b>\$ (7,797)</b>	<b>\$ 624,205</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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## COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED TO BUDGET

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

INSTRUCTION	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b><u>Basic Programs</u></b>				
<b>Pre-Kindergarten</b>				
Professional Salaries	\$ 47,691	\$ -	\$ -	\$ 45,546
Nonprofessional Salaries	23,672			22,804
FICA/Retirement	17,591			16,440
Insurance	20,305	-	-	19,780
Purchased Services	156			571
Supplies and Materials	8,897			9,905
Capital Outlay	-			2,506
Other	647	-	-	1,248
<b>Total Pre-Kindergarten</b>	<b>118,959</b>	<b>118,800</b>	<b>(159)</b>	<b>118,800</b>
<b>Developmental Kindergarten</b>				
Professional Salaries	29,308	-	-	32,095
Nonprofessional Salaries	21,050			18,899
FICA/Retirement	12,471			11,976
Insurance	14,348	-	-	-
Other Benefits	100			-
Supplies and Materials	244			-
Other	290	-	-	392
<b>Total Developmental Kindergarten</b>	<b>77,811</b>	<b>77,995</b>	<b>184</b>	<b>63,362</b>
<b>Total Basic Programs</b>	<b>196,770</b>	<b>196,795</b>	<b>25</b>	<b>182,162</b>
<b><u>Added Needs</u></b>				
<b>Alternative Education</b>				
Professional Salaries	-	-	-	110,263
Nonprofessional Salaries				13,193
FICA/Retirement				29,666
Other Benefits	-	-	-	7,150
Insurance				45,596
Purchased Services				9,836
Supplies and Materials				2,022
Other	-	-	-	252
<b>Total Alternative Education</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,978</b>
<b>Total Added Needs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 217,978</b>

The notes to the financial statements are an integral part of this report.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED  
TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b><u>INSTRUCTION (continued)</u></b>				
<b><u>Adult Education</u></b>				
<b>Adult Enrichment</b>				
Professional Salaries	\$ 1,507	\$ -	\$ -	\$ 1,000
Nonprofessional Salaries	5,803			5,628
FICA/Retirement	1,684			1,106
Other Benefits	2,896	-	-	-
Purchased Services	1,807			-
Supplies and Materials	895			483
Other	968	-	-	865
<b>Total Adult Enrichment</b>	<b>15,560</b>	<b>15,718</b>	<b>158</b>	<b>9,082</b>
<b>Nurses' Aid Program</b>				
Professional Salaries	-	-	-	15,588
Nonprofessional Salaries	-			755
FICA/Retirement	-	-	-	3,846
Purchased Services	22,487			135
Supplies and Materials	2,872			4,046
Other	-	-	-	-
<b>Total Nurses' Aid Program</b>	<b>25,359</b>	<b>26,311</b>	<b>952</b>	<b>24,370</b>
<b>Total Adult Education</b>	<b>40,919</b>	<b>42,029</b>	<b>1,110</b>	<b>33,452</b>
<b>TOTAL INSTRUCTION</b>	<b>237,689</b>	<b>238,824</b>	<b>1,135</b>	<b>433,592</b>
<b><u>SUPPORTING SERVICES</u></b>				
<b><u>Pupil Services</u></b>				
<b>Make a Link Grant</b>				
Professional Salaries	-	-	-	500
Nonprofessional Salaries				-
FICA/Retirement				120
Purchased Services				2,654
Supplies and Materials	-	-	-	245
<b>Total Make a Link Grant</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,519</b>
<b>Total Pupil Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,519</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED  
TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007

(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>School Administration</u></b>				
Professional Salaries	\$ 21,454	\$ -	\$ -	\$ 39,669
Nonprofessional Salaries	15,280			10,658
Insurance	15,255			16,098
FICA/Retirement	9,108	-	-	11,486
Other Benefits	-			401
Purchased Services	38,117			41,468
Supplies and Materials	2,047	-	-	3,601
Capital Outlay	1,845			-
Other	742	-	-	1,397
<b>Total School Administration</b>	<b>103,848</b>	<b>112,657</b>	<b>8,809</b>	<b>124,778</b>
<b><u>Daycare Program</u></b>				
Professional Salaries	3,005	-	-	3,000
Nonprofessional Salaries	45,330			57,030
FICA/Retirement	12,075			14,011
Other Benefits	1,780	-	-	791
Purchased Services	-			355
Supplies and Materials	1,153			2,780
Other	809	-	-	636
<b>Total Daycare Program</b>	<b>64,152</b>	<b>73,196</b>	<b>9,044</b>	<b>78,603</b>
<b>TOTAL SUPPORTING SERVICES</b>	<b>168,000</b>	<b>185,853</b>	<b>17,853</b>	<b>206,900</b>
<b><u>COMMUNITY SERVICES</u></b>				
<b><u>Recreation</u></b>				
Professional Salaries	-	-	-	1,500
Nonprofessional Salaries	4,211			5,338
FICA/Retirement	487			815
Purchased Services	2,945	-	-	-
Supplies and Materials	5,469			3,515
Other	8,432			13,917
<b>TOTAL COMMUNITY SERVICES</b>	<b>21,544</b>	<b>25,326</b>	<b>3,782</b>	<b>25,085</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 427,233</b>	<b>\$ 450,003</b>	<b>\$ 22,770</b>	<b>\$ 665,577</b>
<b><u>OTHER FINANCING USES</u></b>				
Transfers to Other Funds	119,542	119,542	\$ -	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 546,775</b>	<b>\$ 569,545</b>	<b>\$ 22,770</b>	<b>\$ 665,577</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**FOOD SERVICE FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash	\$ 10,239	\$ 6,275
Accounts Receivable		
Federal	5748	51,471
State	4038	4,110
Other	8228	3,364
Inventory	7807	5,081
Due from Other Funds	<u>624</u>	<u>95</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 70,396</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	3,318	-
Due to Other Funds	4,706	23,916
Accrued Sales Tax	3	-
Deferred Revenue	<u>5,555</u>	<u>4,780</u>
<b>TOTAL LIABILITIES</b>	<b>13,582</b>	<b>28,696</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	<u>23,102</u>	<u>41,700</u>
<b>TOTAL FUND EQUITY</b>	<b><u>23,102</u></b>	<b><u>41,700</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 36,684</u></b>	<b><u>\$ 70,396</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**FOOD SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007  
(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>REVENUES</b>				
<b>Local Sources</b>				
Student Lunches / Breakfast	\$ 117,749	\$ 111,690	\$ 6,059	\$109,604
Adult Lunches	5,432	5,500	(68)	6,067
Milk and Ala Carte Sales	3,934	3,050	884	3,751
Other	13,886	13,773	113	12,436
<b>Total Local Sources</b>	<b>141,001</b>	<b>134,013</b>	<b>6,988</b>	<b>131,858</b>
<b>State Sources</b>				
School Breakfast Program	32,930	32,930	-	29,263
School Lunch Program	18,241	18,241	-	19,489
<b>Total State Sources</b>	<b>51,171</b>	<b>51,171</b>	<b>-</b>	<b>48,752</b>
<b>Federal Sources</b>				
Restricted - Received through State	241,519	235,771	5,748	249,856
USDA Entitlement Commodities	18,622	33,000	(14,378)	21,981
USDA Bonus Commodities	657	-	657	5,291
<b>Total Federal Sources</b>	<b>260,798</b>	<b>268,771</b>	<b>(7,973)</b>	<b>277,128</b>
<b>TOTAL REVENUES</b>	<b>452,970</b>	<b>453,955</b>	<b>(985)</b>	<b>457,738</b>
<b>Other Financing Sources</b>				
Transfer from General Fund	-	9,261	(9,261)	-
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 452,970</b>	<b>\$ 463,216</b>	<b>\$ (10,246)</b>	<b>\$457,738</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**FOOD SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

(Continued)	FISCAL YEAR ENDED JUNE 30, 2007			FISCAL YEAR ENDED 6/30/06
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b><u>EXPENDITURES</u></b>				
Nonprofessional Salaries	\$ 131,662	\$ 133,850	\$ 2,188	\$121,919
FICA/Retirement	33,136	35,543	2,407	29,652
Insurance	61,014	55,490	(5,524)	67,171
Other Benefits	8,977	8,977	-	2,456
Purchased Services	6,529	7,600	1,071	9,151
Supplies and Materials	226,240	239,585	13,345	225,289
Capital Outlay	-	-	-	1,600
Other	4,010	4,490	480	915
<b>TOTAL EXPENDITURES</b>	<b>\$ 471,568</b>	<b>\$ 485,535</b>	<b>\$ 13,967</b>	<b>\$458,153</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(18,598)	(22,319)	3,721	(415)
FUND BALANCE, JULY 1	41,700			42,115
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 23,102</b>			<b>\$ 41,700</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**ATHLETIC FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash	\$ 4,402	\$ -
Due From Other Funds	<u>7,688</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,090</u></b>	<b><u>\$ -</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	5,630	-
Due to Other Funds	<u>5,139</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>10,769</b>	<b>-</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	<u>1,321</u>	<u>-</u>
<b>TOTAL FUND EQUITY</b>	<b><u>1,321</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 12,090</u></b>	<b><u>\$ -</u></b>

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**SPECIAL REVENUE FUND - ATHLETIC FUND - STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007  
(With Comparative Totals for Fiscal Year Ended June 30, 2006)

	<b>FISCAL YEAR ENDED JUNE 30, 2007</b>			<b>FISCAL</b>
			<b>VARIANCE</b>	<b>YEAR</b>
			<b>FAVORABLE</b>	<b>ENDED</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>JNFAVORABLE</b>	<b>6/30/06</b>
<b>REVENUES</b>				
Admissions	\$ 54,775	\$ 55,649	\$ (874)	\$ 51,756
Player Fees	9,227	8,507	720	9,115
Concessions	11,356	11,355	1	-
Other	16,319	18,322	(2,003)	9,870
<b>Total Revenues</b>	<b>91,677</b>	<b>93,833</b>	<b>(2,156)</b>	<b>70,741</b>
<b>EXPENDITURES</b>				
Professional Salaries	78,464	78,465	1	85,733
Nonprofessional Salaries	17,641	20,099	2,458	34,675
Insurance	1,387	1,387	-	1,000
FICA/Retirement	19,426	20,046	620	23,764
Other Benefits	99	99	-	99
Purchased Services	46,938	54,906	7,968	19,826
Supplies and Materials	18,739	18,739	-	6,799
Capital Outlay	13,264	6,080	(7,184)	1,252
Other	9,259	8,873	(386)	12,682
<b>TOTAL EXPENDITURES</b>	<b>205,217</b>	<b>208,694</b>	<b>3,477</b>	<b>185,830</b>
Excess of Revenues over (Under) Expenditures	(113,540)	(114,861)	1,321	(115,089)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	120,000	120,000	-	115,089
Operating Transfers (Out)	(5,139)	(5,139)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>114,861</b>	<b>114,861</b>	<b>-</b>	<b>115,089</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,321	-	1,321	-
FUND BALANCE, JULY 1	-			
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 1,321</b>			<b>\$ -</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**CAPITAL PROJECTS FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 4,179	\$ 4,026
Taxes Receivable	<u>7,369</u>	<u>6,150</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,548</u></b>	<b><u>\$ 10,176</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	-	4,704
Due to Other Funds	<u>8,068</u>	<u>3,912</u>
<b>TOTAL LIABILITIES</b>	<b>8,068</b>	<b>8,616</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	<u>3,480</u>	<u>1,560</u>
<b>TOTAL FUND EQUITY</b>	<b><u>3,480</u></b>	<b><u>1,560</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 11,548</u></b>	<b><u>\$ 10,176</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**CAPITAL PROJECTS FUND - STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	<u>2007</u>	<u>2006</u>
<b><u>REVENUES</u></b>		
Property Taxes	\$ 92,766	\$ 87,996
Other Taxes	561	1,331
Penalties / Interest on Taxes	299	11
Interest	<u>153</u>	<u>668</u>
<b>TOTAL REVENUES</b>	<b>\$ 93,779</b>	<b>\$ 90,006</b>
 <b><u>EXPENDITURES</u></b>		
Building and Renovation	91,820	92,915
Tax Refunds / Chargebacks	39	-
Other	<u>-</u>	<u>500</u>
<b>TOTAL EXPENDITURES</b>	<b>91,859</b>	<b>93,415</b>
 Excess of Revenues Over (Under) Expenditures	 1,920	 (3,409)
 FUND BALANCE, JULY 1	 <u>1,560</u>	 <u>4,969</u>
<b>FUND BALANCE, JUNE 30</b>	<b><u>\$ 3,480</u></b>	<b><u>\$ 1,560</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2007 and 2006*

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 32,183	\$ 319,053
Taxes Receivable	34,837	33,692
Due From Other Funds	<u>14,220</u>	<u>30,641</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 81,240</u></b>	<b><u>\$ 383,386</u></b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	<u>81,240</u>	<u>383,386</u>
<b>TOTAL FUND EQUITY</b>	<b><u>\$ 81,240</u></b>	<b><u>\$ 383,386</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE**

FISCAL YEAR ENDED JUNE 30, 2007

*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	<u>2007</u>	<u>2006</u>
<b><u>REVENUES</u></b>		
<b>Local Sources</b>		
Property Taxes	\$ 446,078	\$ 447,826
Other Taxes	2,530	6,359
Penalties and Interest on Taxes	1,626	35
Interest	13,540	11,671
Other	-	-
	<hr/>	<hr/>
<b>Total Local Sources</b>	<b>\$ 463,774</b>	<b>\$ 465,891</b>
<b>State Sources</b>		
Durant	-	10,225
	<hr/>	<hr/>
<b>Total State Sources</b>	<b>-</b>	<b>10,225</b>
	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>463,774</b>	<b>476,116</b>
	<hr/>	<hr/>
<b><u>EXPENDITURES</u></b>		
<b>1997 Refunding Bonds</b>		
Principal	3,575,000	255,000
Interest	95,799	191,003
Fees	300	300
	<hr/>	<hr/>
Total 1997 Refunding Bonds	3,671,099	446,303
<b>Bleacher Refurbishing Loan</b>		
Principal	-	4,659
Interest	-	479
	<hr/>	<hr/>
Total Bleacher Refurbishing Loan	-	5,138
<b>Durant</b>		
Principal	-	7,048
Interest	-	3,177
	<hr/>	<hr/>
Total Durant	\$ -	\$ 10,225

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2007  
*(With Comparative Totals for Fiscal Year Ended June 30, 2006)*

	<u>2007</u>	<u>2006</u>
<b>Bus Loan</b>		
Principal	\$ 40,051	\$ 35,905
Interest	<u>3,333</u>	<u>4,063</u>
Total Bus Loan	43,384	39,968
<b>Other Expenditures</b>		
Canon Copier Lease	3,013	3,287
Tax Adjustments / Writeoffs	<u>-</u>	<u>63</u>
Total Other Expenditures	<u>3,013</u>	<u>3,350</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,717,496</b>	<b>\$ 504,984</b>
Excess of Revenues Over (Under) Expenditures	(3,253,722)	(28,868)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Bond Proceeds	3,001,675	-
Cost of Issuance - Refunding Bonds	(101,635)	-
Operating Transfers In (Out)	<u>51,536</u>	<u>48,394</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,951,576</b>	<b>48,394</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(302,146)	19,526
FUND BALANCE, JULY 1	<u>383,386</u>	<u>363,860</u>
<b>FUND BALANCE, JUNE 30</b>	<b><u>\$ 81,240</u></b>	<b><u>\$ 383,386</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**TRUST AND AGENCY FUND - STATEMENT OF CHANGES IN ASSETS, LIABILITIES, AND  
FUND BALANCE**

*FISCAL YEAR ENDED JUNE 30, 2007*

	<b>BALANCE JUNE 30, 2006</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>BALANCE JUNE 30, 2007</b>
<b><u>ASSETS</u></b>				
Cash, Deposits, and Investments	\$ 1,293,832	\$ 1,059,153	\$ 671,699	1,681,286
Due From Student Activities	500	-	500	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,294,332</u></b>	<b><u>\$ 1,059,153</u></b>	<b><u>\$ 672,199</u></b>	<b><u>\$ 1,681,286</u></b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b><u>LIABILITIES</u></b>				
Due To Student Activities	146,524	337,330	337,016	146,838
Due To General Fund	306	201,829	204,816	(2,681)
Due To Food Service Fund	95	37,111	37,206	-
Due To Scholarship Fund	500		500	-
Due To Athletic Fund	-		(4,752)	4,752
<b>TOTAL LIABILITIES</b>	<b>\$ 147,425</b>	<b>\$ 576,270</b>	<b>\$ 574,786</b>	<b>\$ 148,909</b>
 <b><u>FUND EQUITY</u></b>				
Scholarship Accounts	1,146,907	482,883	97,413	1,532,377
<b>TOTAL FUND EQUITY</b>	<b><u>1,146,907</u></b>	<b><u>482,883</u></b>	<b><u>97,413</u></b>	<b><u>1,532,377</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 1,294,332</u></b>	<b><u>\$ 1,059,153</u></b>	<b><u>\$ 672,199</u></b>	<b><u>\$ 1,681,286</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS**

*FISCAL YEAR ENDED JUNE 30, 2007*

	JUNE 30, 2006	RECEIPTS	DISBURSEMENTS	JUNE 30, 2007
<b>ASSETS</b>				
Cash and Deposits	\$ 147,425	\$ 576,270	\$ 574,786	\$ 148,909
<b>TOTAL ASSETS</b>	<b>\$ 147,425</b>	<b>\$ 576,270</b>	<b>\$ 574,786</b>	<b>\$ 148,909</b>
<b>LIABILITIES</b>				
General Funds:				
Middle School	4,320	1,000	2,062	3,258
Stambaugh Elementary	8,983	11,599	10,120	10,462
Ace Art Grant	9	-	-	9
Ace Tobacco Coalition	93	-	-	93
All Buildings - School Supplies	270	600	600	270
Art Club	79	175	-	254
Athletic Accounts	6,273	-	6,273	-
Athletics 2005 Fund Raiser	3,814	-	3,814	-
Athletics In Action	478	2,893	3,237	134
BB Coaches Clinic	830	20	850	-
Band Fund	(104)	4,062	4,213	(255)
Boys Basketball	4	290	91	203
Boys Tennis	11	-	-	11
Business Club	153	4,349	4,810	(308)
Career Tech	356	-	-	356
Cheerleader Fund	1,215	2,280	1,818	1,677
Chess Club	17	-	-	17
Class of 1984	185	-	-	185
Class of 1992	17	-	-	17
Class of 1994	181	-	-	181
Class of 1996	1,738	-	1,738	-
Class of 1997	80	-	-	80
Class of 1998	200	-	-	200
Class of 1999	1,102	-	-	1,102
Class of 2000	3,329	-	-	3,329
Class of 2001	-	5,618	5,618	-
Class of 2003	2,451	-	-	2,451
Class of 2006	3,305	55	3,360	-
Class of 2007	3,941	21,657	23,128	2,470
Class of 2008	2,509	11,330	9,419	4,420
Class of 2009	37	1,607	990	654
Class of 2010	335	5,617	5,948	4
Class of 2011	-	10,379	5,998	4,381
Combination Lock	844	-	-	844
Community School Recreation	5,281	989	1,170	5,100
Contingency Fund	398	105,248	104,282	1,364
Cross Country	160	25	-	185

The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2007*

	<b>BALANCE JUNE 30, 2006</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2007</b>
Desk Top Publishing	\$ 313	\$ 1,775	\$ 770	\$ 1,318
DIISD - Goals 2000	1,244	-	1,244	-
DIISD - SS / Language Arts Grant	211	1,857	211	1,857
DIISD MIDI Grant	100	-	100	-
DIISD Final Cut	244	-	244	-
Disk Fund	89	-	-	89
Drama Club	155	-	-	155
Elementary Girls Basketball	2,357	8,019	8,187	2,189
Football	3,837	7,433	6,083	5,187
Forensics Club	163	-	-	163
Forest Club	210	254	243	221
Forest Club - Trout Unlimited	438	-	119	319
Freshman Sports	1,836	7,010	8,846	-
Girls Basketball	937	2,163	2,522	578
Girls Tennis	773	3,425	1,700	2,498
Girls Track	(443)	992	277	272
Golf Club	680	920	732	868
Government Class	-	6,503	6,503	-
Health Careers Club	33	-	-	33
High School Bowl	108	-	-	108
Jordan Grant - Ace	414	-	414	-
Laurel Lake Bog Project	137	-	-	137
Library Fund	693	95	73	715
Majorettes	215	-	-	215
Middle School - Interest	418	-	-	418
Middle School 8th Grade Economics	1,660	1,150	585	2,225
Middle School 8th Grade Grant	110	1,200	455	855
Middle School Accelerated Learning Program	838	1,076	1,864	50
Middle School Art	193	-	-	193
Middle School Band	3,998	8,025	8,147	3,876
Middle School Cheerleaders	792	-	-	792
Middle School Crush Grams	1,057	-	260	797
Middle School Drama	821	-	-	821
Middle School Family Living	83	-	-	83
Middle School Fisher Donation	365	-	365	-
Middle School Library	857	114	365	606
Middle School Lighting Equipment Fund	315	-	-	315
Middle School Mrs. Sackel Calculators	319	-	88	231
Middle School Mrs. Steinberg's Account	3	-	-	3
Middle School Newspaper	97	-	-	97
Middle School Playground	4,401	168	-	4,569
Middle School Red Ribbon Grant	150	-	-	150
Middle School Software Account	264	-	33	231
Middle School Special Ed Account	1,588	2,700	735	3,553

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2007*

	BALANCE JUNE 30, 2006	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2007
Middle School Student Council	\$ 7,455	\$ 1,985	\$ 2,735	\$ 6,705
Middle School Track	-	680	680	-
Middle School Wykon Warehouse	847	145	212	780
Middle School Yearbook	643	-	-	643
National Honors Society	367	315	319	363
NOW Interest	4,461	3,918	4,461	3,918
Nutrition Grant	-	300	-	300
Pep Grant - Chad	58	-	-	58
Pom Danz	1,226	4,205	4,423	1,008
Project Graduation	1,346	6,047	5,289	2,104
SADD	386	-	-	386
Sewing for Reading	140	-	56	84
Skiing	4,373	6,847	5,830	5,390
Spanish Club	478	-	-	478
Special Education - Carne	100	-	-	100
Special Places / Special Kids	819	-	-	819
Special Projects	1,586	747	1,115	1,218
Stambaugh - 5th Grade	4,391	9,901	9,439	4,853
Stambaugh Accelerated Reader	625	-	-	625
Stambaugh Band Account	2,659	-	314	2,345
Stambaugh Destination	262	-	-	262
Stambaugh Destination - Ima (New)	103	-	-	103
Stambaugh Library	833	191	-	1,024
String Boosters	2,921	17,381	20,038	264
Student Council	4,268	3,058	1,088	6,238
Student Council - Milk	324	-	-	324
Track	916	916	1,115	717
Tri-Paw Lodge	5,827	19,652	13,677	11,802
UP BB Coaches Clinic	(216)	1,580	733	631
Volleyball	1,666	703	1,917	452
Weight Room	300	-	100	200
Wykon Industries	426	-	-	426
Yearbook Fund	10,232	12,572	11,291	11,513
Young Authors	485	-	-	485
Youth BB Camp	250	1,515	1,480	285
Due to Athletic Fund	-	-	(4,752)	4,752
Due to Food Service Fund	95	37,111	37,206	-
Due to General Fund	306	201,829	204,816	(2,681)
Due to Scholarship Fund	500	-	500	-
<b>TOTAL LIABILITIES</b>	<b>\$ 147,425</b>	<b>\$ 576,270</b>	<b>\$ 574,786</b>	<b>\$ 148,909</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**PROPERTY TAX DATA**

*FOR THE YEAR ENDED JUNE 30, 2007*

<u>YEAR LEVIED</u>	<u>LEVY</u>	<u>COLLECTIONS AND ADJUSTMENTS</u>	<u>BALANCE JUNE 30, 2007</u>
<b>GENERAL FUND</b>			
2006-07	\$ 2,187,002	\$ 2,041,068	\$ 145,934
2005-06	1,789,998	1,788,975	1,023
2004-05	1,751,726	1,748,802	2,924
2003-04	1,664,873	1,663,058	1,815
2002-03	<u>1,651,652</u>	<u>1,647,928</u>	<u>3,724</u>
<b>TOTAL GENERAL FUND</b>	<b>\$ 9,045,251</b>	<b>\$ 8,889,831</b>	<b>\$ 155,420</b>
<b>DEBT RETIREMENT FUND</b>			
2006-07	\$ 446,078	\$ 413,016	\$ 33,062
2005-06	447,826	447,593	233
2004-05	451,751	451,552	199
2003-04	460,183	459,955	228
2002-03	<u>477,212</u>	<u>476,097</u>	<u>1,115</u>
<b>TOTAL DEBT RETIREMENT</b>	<b>\$ 2,283,050</b>	<b>\$ 2,248,213</b>	<b>\$ 34,837</b>
<b>SINKING FUND</b>			
2006-07	\$ 92,766	\$ 85,993	\$ 6,773
2005-06	87,996	87,947	49
2004-05	85,004	84,918	86
2003-04	81,332	81,248	84
2002-03	<u>79,502</u>	<u>79,125</u>	<u>377</u>
<b>TOTAL SINKING FUND</b>	<b>\$ 426,600</b>	<b>\$ 419,231</b>	<b>\$ 7,369</b>
<b>TOTAL ALL FUNDS</b>	<b><u>\$ 11,754,901</u></b>	<b><u>\$ 11,557,275</u></b>	<b><u>\$ 197,626</u></b>

The notes to the financial statements are an integral part of this report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**BOARD OF EDUCATION  
West Iron County Public School District  
601 Garfield Avenue  
IRON RIVER, MICHIGAN 49935**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **West Iron County Public School District**, Iron River, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the **West Iron County Public School District**, Iron River, Michigan's basic financial statements, and have issued our report thereon dated November 13, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the **West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **West Iron County Public School District**, Iron River, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the **West Iron County Public School District**, Iron River, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the **West Iron County Public School District**, Iron River, Michigan's internal control.

We consider the deficiencies described as (2007-01), (2007-02), and (2005-01), in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **West Iron County Public School District**, Iron River, Michigan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

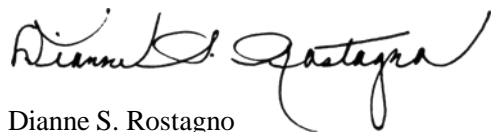
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **West Iron County Public School District**, Iron River, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted other matters that we reported to management of the **West Iron County Public School District**, Iron River, Michigan, in a separate letter dated November 13, 2007.

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the **West Iron County Public School District**, Iron River, Michigan's response, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.



Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

November 13, 2007

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**SCHEDULE OF FINDINGS AND RESPONSES**

*FOR THE YEAR ENDED JUNE 30, 2007*

**SIGNIFICANT DEFICIENCIES**

**Timeliness of Bank Deposits (2007-01)**

*Finding:* Bank deposits are not being deposited in the bank in a timely manner. This practice opens the District to the threat of a loss or theft of cash while it is on the premises. It is recommended that cash be deposited no less than once a week, and more frequently during times of heavy cash flow.

*Response:* The District will work to resolve this issue.

**Timely and Accurate Financial Report (2007-02)**

*Finding:* The District's accounting and reporting processes are being significantly delayed. This can have a negative impact on critical areas such as financial analysis, budgetary control, and cash flow, and can significantly impact the administration's ability to effectively guide the organization. Financial reporting, including year-end adjustments, must be completed on a timely basis.

*Response:* The District implemented new accounting software during the year, which resulted in many problems and inaccuracies in the financial statements that needed to be resolved. It is expected that this situation will not be a problem in the future.

**Student Activities (2005-01)**

*Finding:* Advisors or the persons responsible for the various student activities are not maintaining independent records of their earnings, expenses, or year-end balances in their accounts. There is, therefore, no method to independently confirm transactions or balances in these activities. Errors, omissions, theft, etc. could possibly remain undetected.

*Response:* The District will continue its efforts to assure that every group activity comply with the required reporting.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

BOARD OF EDUCATION  
**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**  
601 Garfield Avenue  
Iron River, Michigan 49935

### Compliance

We have audited the compliance of the **West Iron County Public School District**, Iron River, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The **West Iron County Public School District**, Iron River, Michigan's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs, and the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **West Iron County Public School District**, Iron River, Michigan's management. Our responsibility is to express an opinion on the **West Iron County Public School District**, Iron River, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **West Iron County Public School District**, Iron River, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **West Iron County Public School District**, Iron River, Michigan's compliance with those requirements.

In our opinion, the **West Iron County Public School District**, Iron River, Michigan, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control Over Compliance

The management of the **West Iron County Public School District**, Iron River, Michigan, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

Internal Control Over Compliance (Continued)

In planning and performing our audit, we considered the **West Iron County Public School District**, Iron River, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the **West Iron County Public School District**, Iron River, Michigan's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and it is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno". The signature is fluid and cursive, with the first name "Dianne" and last name "Rostagno" clearly distinguishable.

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

November 13, 2007

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FISCAL YEAR ENDED JUNE 30, 2007*

<b>FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER</b>	<b>FEDERAL CFDA NUMBER</b>	<b>APPROVED GRANT AWARD AMOUNT</b>	<b>ACCRUED (DEFERRED) REVENUE 7/1/2006</b>	<b>(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES</b>	<b>CURRENT YEAR EXPENDITURES</b>	<b>CURRENT YEAR RECEIPTS (CASH BASIS)</b>	<b>ACCRUED (DEFERRED) REVENUE 6/30/2007</b>	<b>ADJUST- MENTS</b>
<b>US DEPT OF EDUCATION</b>								
<b>Passed Through MDE</b>								
Title I *								
#061530-0506	84.010	\$ 277,741	\$ (7,753)	\$ 277,741	\$ -	\$ -	\$ -	\$ 7,753
#061530-0607	84.010	12,753	-	-	12,753	12,753	-	-
#071530-0607	84.010	278,414	-	-	255,005	265,797	(10,792)	-
Total Title I *		568,908	(7,753)	277,741	267,758	278,550	(10,792)	7,753
Title V								
LEA Allocation								
#060250-0506	84.298	3,808	-	3,808	-	-	-	-
#060250-0607	84.298	5,513	(5,513)	-	5,513	-	-	-
#070250-0607	84.298	4,173	-	-	4,173	4,173	-	-
Total Title V		13,494	(5,513)	3,808	9,686	4,173	-	-
Title II-A								
Improving Teacher Quality								
#060520-0607	84.367	2,231	(2,231)	-	2,231	-	-	-
#060520-0506	84.367	85,407	-	85,407	-	-	-	-
#070520-0607	84.367	87,661	-	-	87,661	85,496	2,165	-
Total Title II-A		175,299	(2,231)	85,407	89,892	85,496	2,165	-
Title II-D								
Tech Literacy Challenge								
#074290-0607	84.318	2,722	-	-	2,722	2,722	-	-
Total Title II-D		2,722	-	-	2,722	2,722	-	-
Reading First *								
#072930-0607	84.357	150,525	-	-	150,525	141,889	8,636	-
Total Reading First		150,525	-	-	150,525	141,889	8,636	-
<b>Total Passed Through MDE</b>		<b>\$ 910,948</b>	<b>\$ (15,497)</b>	<b>\$ 366,956</b>	<b>\$ 520,583</b>	<b>\$ 512,830</b>	<b>\$ 9</b>	<b>\$ 7,753</b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FISCAL YEAR ENDED JUNE 30, 2007*

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 7/1/2006	(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	ACCRUED (DEFERRED) REVENUE 6/30/2007	ADJUST- MENTS
<b>Passed Through ISD</b>								
Drug Free Schools	84.186	\$ 2,585	\$ -	\$ -	\$ 2,585	\$ 2,585	\$ -	\$ -
<b>Total Passed Through ISD</b>		<b>2,585</b>	<b>-</b>	<b>-</b>	<b>2,585</b>	<b>2,585</b>	<b>-</b>	<b>-</b>
 <b>TOTAL US DEPT OF EDUCATION</b>								
		\$ 913,533	\$ (15,497)	\$ 366,956	\$ 523,168	\$ 515,415	\$ 9	\$ 7,753

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FISCAL YEAR ENDED JUNE 30, 2007*

<b>FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER</b>	<b>FEDERAL CFDA NUMBER</b>	<b>APPROVED GRANT AWARD AMOUNT</b>	<b>ACCRUED (DEFERRED) REVENUE 7/1/2006</b>	<b>(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES</b>	<b>CURRENT YEAR EXPENDITURES</b>	<b>CURRENT YEAR RECEIPTS (CASH BASIS)</b>	<b>ACCRUED (DEFERRED) REVENUE 6/30/2007</b>	<b>ADJUST- MENTS</b>
<b>US DEPT OF AGRICULTURE</b>								
<b>Passed Through MDE</b>								
Natl School Lunch-Breakfast								
#061970	10.553	\$ 6,297	\$ -	\$ -	\$ 6,297	\$ 6,297	\$ -	
#071970	10.553	56,437	-	-	56,437	56,437	-	
Total Natl School Lunch- Breakfast		62,734	-	-	62,734	62,734	-	
<b>National School Lunch</b>								
<b>Section 4 Lunches</b>								
#061950	10.555	3,419	-	-	3,419	3,419	-	
#071950	10.555	27,308	-	-	27,308	27,308	-	
Total Section 4 Lunches		30,727	-	-	30,727	30,727	-	
<b>Section 11 Free &amp; Reduced</b>								
#061960	10.555	16,476	-	-	16,476	16,476	-	
#071960	10.555	124,659	-	-	124,659	124,659	-	
Total Section 11 Free & Reduced		141,135	-	-	141,135	141,135	-	
<b>Snack Program</b>								
#061980	10.555	140	-	-	140	140	-	
#071980	10.555	1,035	-	-	1,035	1,035	-	
Total Snack Program		1,175	-	-	1,175	1,175	-	
Summer Food Service Program	10.559	10,080	-	-	5,748	-	5,748	
Total Summer Program		10,080	-	-	5,748	-	5,748	
Total National School Lunch		\$ 183,117	\$ -	\$ -	\$ 178,785	\$ 173,037	\$ 5,748	\$ -

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b> <b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b> <i>FISCAL YEAR ENDED JUNE 30, 2007</i>
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PROGRAM TITLE GRANT NUMBER	CFDA NUMBER	AWARD AMOUNT	REVENUE 7/1/2006	PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	RECEIPTS (CASH BASIS)	REVENUE 6/30/2007	ADJUST- MENTS
<b>US DEPT OF AGRICULTURE</b>								
Entitlement Commodities	10.550	\$ 18,622	\$ -	\$ -	\$ 18,622	\$ 18,622	\$ -	
Bonus Commodities	10.550	657	-	-	657	657	-	
Total Commodities		19,279	-	-	19,279	19,279	-	
<b>TOTAL US DEPT OF AGRICULTURE</b>		<b>265,130</b>	<b>-</b>	<b>-</b>	<b>260,798</b>	<b>255,050</b>	<b>5,748</b>	
<b>US DEPT OF INTERIOR</b>								
Other Federal Assistance								
<b>Passed Through County of Iron</b>								
Schools and Roads Grant	15.226	110,208	-	-	110,208	110,208	-	
<b>TOTAL US DEPT OF INTERIOR</b>		<b>110,208</b>	<b>-</b>	<b>-</b>	<b>110,208</b>	<b>110,208</b>	<b>-</b>	
<b>US DEPT OF LABOR</b>								
<b>Passed Through UP</b>								
<b>Manpower Consortium</b>								
JTPA Nurses' Aid	17.250	11,501	-	-	11,501	11,501	-	
Total JTPA Nurses' Aid		11,501	-	-	11,501	11,501	-	
<b>TOTAL US DEPT OF LABOR</b>		<b>11,501</b>	<b>-</b>	<b>-</b>	<b>11,501</b>	<b>11,501</b>	<b>-</b>	
<b>TOTAL FEDERAL</b>								
<b>FINANCIAL ASSISTANCE</b>		<b>\$ 1,300,372</b>	<b>\$ (15,497)</b>	<b>\$ 366,956</b>	<b>\$ 905,675</b>	<b>\$ 892,174</b>	<b>\$ 5,757</b>	<b>\$ 7,753</b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS TO FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2007**

- (a) Prior period adjustment reported on Michigan Department of Education Grant Section Auditors Report (R-7120).
- (b) The District received a grant from the *Family Independence Agency*, for the Strong Families/Safe Children program in the amount of \$2,426. The CFDA number is 93.556. Since the audit status of the District is Vendor, this is not to be included in the Schedule of Expenditures of Federal Awards, per FIA officials.
- (c) The District received flow-through funds from the Dickinson-Iron Intermediate School District in the amount of \$ 36,498. Since this is a Vendor relationship, this flow-through is not included in the Schedule of Expenditures of Federal Awards.
- (d) Special milk program (CFDA #10.555) reported on the Grants Section Auditor's Report (Form R 7120) in the amount of \$1,113 is passed through to the Iron County Youth Camp, and therefore is not reported on the Schedule of Expenditures of Federal Awards.
- (e) The District received an ORV Safety Education Program Grant in the amount of \$3,020, administered by the Michigan Department of Natural Resources. Since this is a vendor relationship, this is not included on the Schedule of Expenditures of Federal Awards.
- (f) The District received USF funding, totaling \$19,826, which is not included on the Schedule of Expenditures of Federal Awards.

Reconciliation

Federal Revenue per  
Financial Statements:

General Operating		Federal Revenues on Schedule of Expenditures of	
Funds – Federal		Federal Awards	\$ 905675
Sources	\$ 667564	SFSC (b)	2426
General Fund – Passed		DIISD flow-through funds (c)	36498
through ISD	39083	ORV Safety Education (e)	3020
Food Service Fund	<u>260798</u>	USF (f)	<u>19826</u>
Total Federal Revenue			
Reported by District	\$ <u>967445</u>		\$ <u>967445</u>



<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

1. \*Designates Major Program
2. In accordance with OMB Circular A-133, since federal awards expended were greater than \$500,000 but less than \$10 million, Type A programs are those programs with expended funds of \$300,000 or more. Based on this threshold, there were no Type A programs. The District qualified as a low risk auditee. Therefore, Title I and Reading First were audited as major programs (both Type B programs) to satisfy the 25% coverage requirement.
3. Expenditures in this schedule are in agreement with amounts reported in the financial statements and the financial reports.
4. The amounts reported on the R7120 (Grants Section Auditions Report) and the MDE Cash Management Report reconcile with this schedule.
5. The amounts reported on the Recipient Entitlement Balance Report (PAL Report) agree with this schedule for USDA donated food commodities and are reported in the cash receipts column.
6. Expenditures include spoilage or pilferage.
7. JTPA Nurse's Aid Grant is based upon per pupil tuition. In addition to the direct expenditures of \$ 25,359 reported on the financial statements, indirect costs of building rental and administration must be added to these costs.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the West Iron County Public School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**B. FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**C. MAJOR PROGRAMS**

Major programs were determined by a risk based approach, which includes consideration of current and prior audit expenses, oversight by federal agencies and pass-through entities, and inherent risk of the program in addition to the \$300,000 expenditure threshold. The District qualifies as a low risk auditee, under the criteria specified in OMB Circular A-133, Section 530.

**D. FOOTNOTES**

Please see the federal statement footnotes for the significant accounting policies applied when preparing this schedule.

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified?                                  yes                X                no
- Significant deficiencies?                                        X                yes                                  none reported

Noncompliance material to financial statements noted?                  yes                X                no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?                                  yes                X                no
- Significant deficiencies identified that are not  
considered to be material weakness(es)?                                  yes                X                none reported

Type of auditor's report issued on compliance for major  
programs:              *Unqualified*

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a) of  
Circular A-133?                                  yes                X                no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program of Cluster</i>
84.010	Title I
84.357	Reading First

Dollar threshold used to distinguish between A and B  
programs:

  \$ 300000  

Auditee qualified as low-risk auditee?                        X                yes                                  no

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007**

**Section II - Financial Statement Findings**

**SIGNIFICANT DEFICIENCIES**

**Timeliness of Bank Deposits (2007-01)**

*Finding:* Bank deposits are not being deposited in the bank in a timely manner. This practice opens the District to the threat of a loss or theft of cash while it is on the premises. It is recommended that cash be deposited no less than once a week, and more frequently during times of heavy cash flow.

**Timely and Accurate Financial Report (2007-02)**

*Finding:* The District's accounting and reporting processes are being significantly delayed. This can have a negative impact on critical areas such as financial analysis, budgetary control, and cash flow, and can significantly impact the administration's ability to effectively guide the organization. Financial reporting, including year-end adjustments, must be completed on a timely basis.

**Student Activities (2005-01)**

*Finding:* Advisors or the persons responsible for the various student activities are not maintaining independent records of their earnings, expenses, or year-end balances in their accounts. There is, therefore, no method to independently confirm transactions or balances in these activities. Errors, omissions, theft, etc. could possibly remain undetected. It is recommended that the District increase its efforts to monitor and enforce compliance.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**Schedule of Findings and Questioned Costs  
(Continued)**

**For the Year Ended June 30, 2007**

**Section III - Federal Award Findings and Questioned Costs**

There are no matters to be reported.

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

Board of Education  
**West Iron County Public School District**  
601 Garfield Avenue  
Iron River, Michigan 49935

In planning and performing the audit of the financial statements of the **West Iron County Public School District**, Iron River, Michigan as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control structure to plan the auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express an opinion on the effectiveness of the **West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **West Iron County Public School District**, Iron River, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the **West Iron County Public School District**, Iron River, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the **West Iron County Public School District**, Iron River, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **West Iron County Public School District**, Iron River, Michigan's internal control.

During our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. They are divided into three categories: significant deficiencies, material weaknesses, and other matters.

## **MATERIAL WEAKNESS**

There are no matters to report.

## **SIGNIFICANT DEFICIENCIES**

### **New Comments**

#### **Timeliness of Bank Deposits (2007-01)**

***Problem:***

Although bank deposits are being completed on a regular basis, deposits are not being deposited in the bank in a timely manner. When testing the food service revenue, we noted as many as fifteen or more deposit tickets submitted on the same day. This was also found to be a problem in the Student Activities Fund. This practice opens the District to a loss or theft of cash while it is still on the premises.

***Recommendation:***

To strengthen internal controls in this area, we suggest that during times of heavy cash inflow, deposits to the bank be made on a daily basis. During periods of less cash inflow, we recommend that cash be deposited at the bank no less than once a week. This practice will firmly strengthen the District's internal control process over cash receipts and greatly lessen the likelihood that cash could be lost or stolen before it is deposited in the bank.

#### **Timely and Accurate Financial Reports**

***Problem:***

We noted that the District's accounting and reporting processes are being significantly delayed. This can significantly impact the administration's ability to effectively guide the organization. Critical areas such as financial analysis, budgetary control, and cash flow can all be negatively impacted.

***Recommendation:***

Financial reporting, including year-end adjustments, must be completed on a timely basis. If it is determined that the department is understaffed, steps should be taken to alleviate this problem so that work can remain current without an undue hardship on any one employee.

### **Significant Deficiencies Communicated in Prior Years**

#### **STUDENT ACTIVITIES**

***Problem:***

In conjunction with the prior audit, it was noted that all records pertaining to the various student activities are reported and maintained by School District office personnel. Those responsible for the various student organizations often retain no independent record of the amount of earnings, expenditures, and year-end balances in their accounts. There is, therefore, no method to confirm transactions or balances in these activities.

***Recommendation:***

It is recommended that each student group be held responsible for the maintenance of its own set of accounting records, keeping a running total of all fund-raising revenues, expenses, and ending cash balances. At year-end, these records would be turned in to the office of the principal, where they are to be held for safe-keeping. These independent records should then be made available to provide confirmation of activities and balances for the annual audit.



### **Significant Deficiencies Communicated in Prior Years (Continued)**

#### **STUDENT ACTIVITIES (Continued)**

***Resolution:***

Although improved from prior year compliance, the problem remains largely unresolved. Of more than 115 different reported activities, only 17 provided an independent reconciliation of account activity. An additional 18 signed off on the accuracy of the financial reporting prepared by District personnel.

***Continued Recommendation:***

The District should strictly implement the prior recommendations. It is recommended that compliance be monitored on a quarterly basis, and that those persons not in full compliance be notified of this fact and attempts be made to remedy this issue.

#### **OTHER MATTERS**

##### **New Comments**

##### **Security Needed Over Cash**

***Problem:***

Personal checks are currently being cashed with un-deposited funds by District personnel as a convenience for these employees. This compromises the integrity of the cash and check components of funds collected for deposit, thereby weakening the District's internal control over cash receipts.

***Recommendation:***

The use of District funds for the cashing of checks for any purpose should be discontinued at once. All monies received for deposit should be deposited intact. The breakdown of the cash and check component on every deposit slip must agree with the documentation supporting that deposit.

#### **BUDGETARY**

***Problem:***

During the past several fiscal years, the School District incurred several expenditures which were in excess of amounts appropriated.

***Recommendation:***

It was recommended that closer monitoring be done in regards to budgetary appropriations and expenditures.

***Resolution:***

There were again several expenditures which exceeded budgeted amounts.

***Continuing Recommendation:***

Closer monitoring is needed in regards to budgetary appropriations and expenditures.

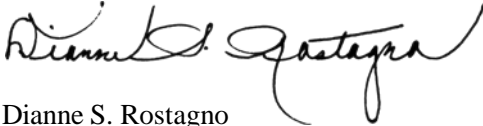
**Page Four**

This letter does not affect our report dated November 13, 2007, on the financial statements of the **West Iron County Public School District**, Iron River, Michigan. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate school administration and staff, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, or to assist you in implementing the recommendations.

It has been a pleasure working with the administration and staff, and we wish to express our appreciation for their cooperation and assistance during the audit engagement.

This communication is intended solely for the information and use of management, those charged with governance, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno", written in a cursive style.

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

November 13, 2007